

After The Fact

2009 Regular Session
Fiscal Wrap-up

*Louisiana House of Representatives
Prepared by the House Fiscal Division
June 25, 2009*

AFTER THE FACT

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**House Bill
No. 1 (Act 10)**

**House Bill
No. 881**

ACT 10 AND HB 881 ENROLLED OVERVIEW

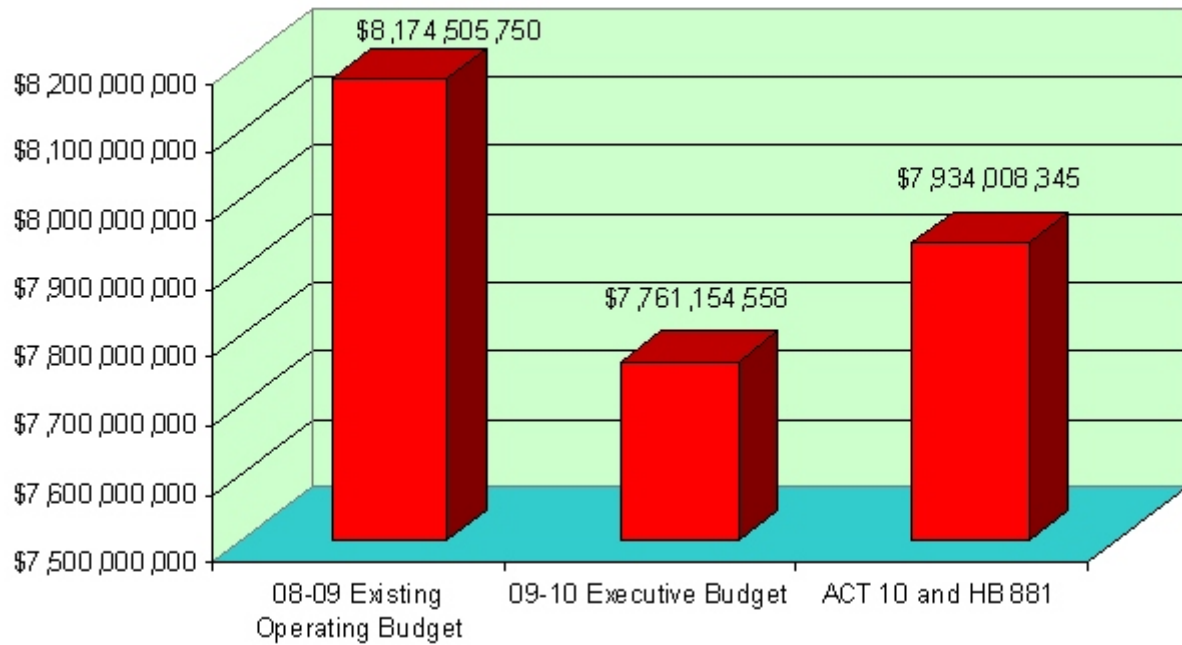
COMPARISON OF FY 08-09 TO FY 09-10				
Means of Finance (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund (SGF)	\$8,860,688,245	\$7,581,149,096	-\$1,279,539,149	-14.4%
Interagency Transfers (IAT)	\$2,267,343,854	\$2,557,567,699	\$290,223,845	12.8%
Self-generated Rev (SGR)	\$1,379,405,115	\$1,384,116,406	\$4,711,291	0.3%
Statutory Dedications (SD)	\$2,673,070,960	\$2,278,259,974	-\$394,810,986	-14.8%
Interim Emergency Board	\$3,467,605	\$0	-\$3,467,605	-100%
Federal Funds (FED)	\$14,930,225,390	\$14,762,133,088	-\$168,092,302	-1.1%
TOTAL MOF	\$30,114,201,169	\$28,563,226,263	-\$1,550,974,906	-5.2%
Authorized Positions	44,249	43,034	(1,215)	-2.7%

ACT 10 and HB 881 Enrolled Talking Points

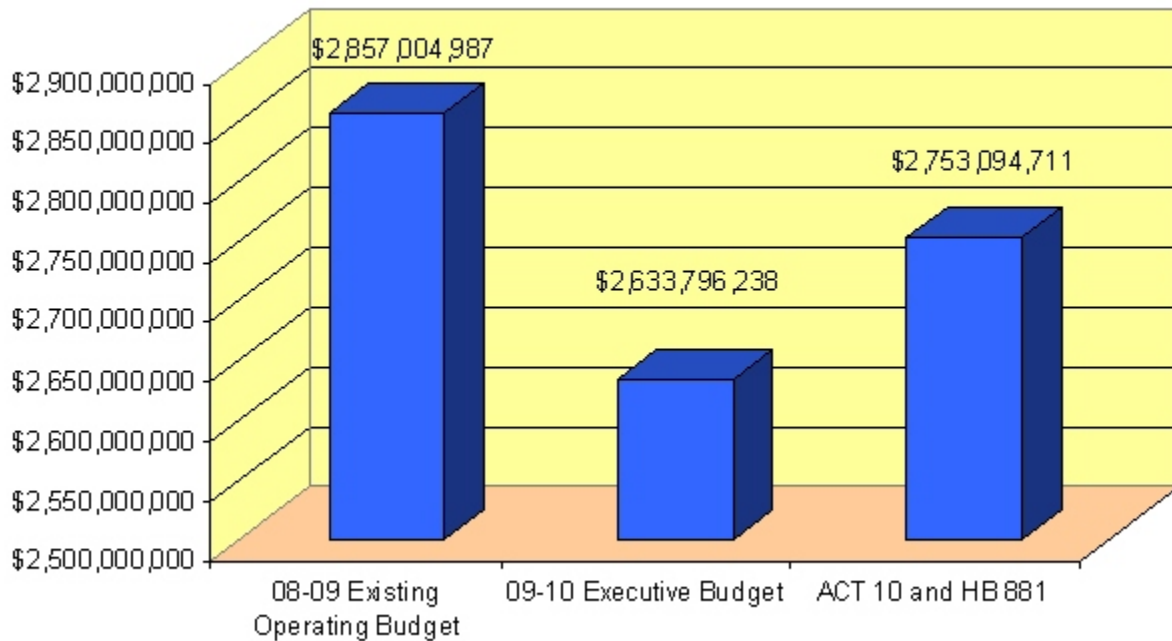
- ✓ The legislature and administration were faced with the formidable task of reducing State General Fund expenditures by \$1.3 billion
- ✓ Both were mindful of the reductions to Higher Education and the Department of Health and Hospitals and considered alternative funding from non-State General Fund sources
- ✓ Federal Stimulus funding provided temporary relief with the use of \$943 million
- ✓ Utilized \$86.5 million of the Budget Stabilization Fund (Rainy Day Fund) and thus insured that the Fund could be replenished in FY 09-10 from the future avails of the 2009 tax amnesty measures
- ✓ Authorized Positions in FY 09-10 are 43,034, down from 44,249 in FY 08-09
- ✓ Provides \$7.5 million from the Statutory Dedicated Overcollections Fund for the Local Government Assistance Program
- ✓ Provides \$883,400 and 27 positions for two war veterans homes - the Northwest War Veterans Home and the the Southeast War Veterans Home
- ✓ Restored funding to State Historic sites in the Department of Culture, Recreation and Tourism thereby averting closing these sites and layoff of site employees
- ✓ The combined appropriations of ACT 10 and HB 881 Enrolled result in an overall restoration of funds for the Department of Health and Hospitals of approximately \$173 million
- ✓ Provides \$103 million for the rebasing of Medicaid reimbursement rates for nursing homes
- ✓ Provides \$32 million Federal Funds for the nursing home generator program

- ✓ Provides \$488 million for waiver services and \$10 million for the implementation of best practice clinical criteria in DHH
- ✓ Provides \$41 million in savings by combining the Office of Mental Health's State Office, Areas A, B and C into one single unit
- ✓ Provides additional support for the Office of Family Support for the administration of the Child Care Development Block Grant Program
- ✓ The combined appropriations of ACT 10 and HB 881 Enrolled result in an overall restoration of funds for Higher Education of \$119 million
- ✓ Increases funding from the Tobacco Tax Health Care Fund \$1 million for cancer research and for general operations at the LSU Ag Center
- ✓ Provides \$1 million SGF from the Budget Stabilization Fund for the Louisiana Endowment for the Humanities
- ✓ Restores \$500,000 from the Statutory Dedicated Overcollections Fund for the Louisiana School for Math, Science and the Arts
- ✓ Provides \$10 million additional SGF to fully fund TOPS awards
- ✓ Provides \$5 million SGF for additional funding for the GO Grant need-based financial assistance program
- ✓ Provides \$2.8 million SGF for student enrollment changes in the MFP

LEGISLATIVE RESTORATION FOR HEALTH AND HOSPITALS



LEGISLATIVE RESTORATION FOR HIGHER EDUCATION



Schedule 01 - Executive Department

Budget Analyst: Christopher Keaton (342-8569)

SCHEDULE 01 - EXECUTIVE DEPARTMENT				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change From FY 08-09 to FY 09-10	Percent Change
State General Fund (SGF)	\$161,117,554	\$157,784,245	(\$3,333,309)	-2.07%
Interagency Transfers (IAT)	\$441,044,250	\$418,673,597	(\$22,370,653)	-5.07%
Fees and Self-gen. Rev. (SGR)	\$117,327,527	\$114,211,765	(\$3,115,762)	-2.66%
Statutory Dedications (SD)	\$230,676,224	\$96,216,618	(\$134,459,606)	-58.29%
Interim Emergency Board	\$1,357,935	\$0	(\$1,357,935)	-100.00%
Federal Funds (FED)	\$7,367,739,060	\$6,256,598,036	(\$1,111,141,024)	-15.08%
TOTAL MOF	\$8,319,262,550	\$7,043,484,261	(\$1,275,778,289)	-15.34%
Authorized Positions	2,212	2,100	-112	-5.06%

The Executive Department includes 15 budget units: Executive Office, Indian Affairs, Inspector General, Mental Health Advocacy Service, Division of Administration, Homeland Security and Emergency Preparedness, Military Affairs, Women's Policy, LA Public Defender Board, LA Stadium and Exposition District, Board of Tax Appeals, LA Commission on Law Enforcement, Elderly Affairs, LA State Racing Commission, and the Office of Financial Institutions.

\$ 354.5 million Federal funding from the American Recovery and Reinvestment Act to the Division of Administration's Community Development Block Grant Program as receipt of US Department of Education State Fiscal Stabilization Fund for allocation to Higher Education, the Department of Education, and Elected Officials.

\$ 21 million Additional funds will be used to cover an anticipated budget deficit in FY 09-10 in the LA Stadium and Exposition District. The deficit exists due to insufficient revenues from sales taxes on hotel room rentals and from events at the Superdome to cover annual inducement payments to the New Orleans Saints and increasing debt payments from the renovation of the New Orleans Superdome.

\$ 18.3 million Increased federal budget authority in the Office of Homeland Security and Emergency Preparedness for the Interoperable Emergency Communications Grant Program.

\$ 18 million Statutory Dedications from the Overcollections Fund in the Division of Administration for the Enterprise Resource Planning Project. The state is in the third year of an eight-year \$100 million project to replace the hardware and software that supports the state's accounting system related to finances, purchasing, contracts, budget development, and asset management.

\$ 7.5 million Additional federal funding to the Division of Administration through the American Recovery and Reinvestment Act of 2009 for the Community

Schedule 01 - Executive Department

Budget Analyst: Christopher Keaton (342-8569)

Development Block Grant Small Cities Program. Award grants will be made to smaller units of local government that engage in community development activities.

\$ **7.5 million** Federal funding from the American Recovery and Reinvestment Act of 2009 for the Division of Administration's Community Development Block Grant Small Cities Program. Award grants will be made to smaller units of local government that carry out community development activities.

\$ **7.1 million** Additional Statutory Dedication funding from the Community Water Enrichment Fund to the Division of Administration's Community Development Block Grant Program to be used to rehabilitate, improve, and construct projects for community water systems to provide drinking water to Louisiana's small rural communities.

\$ **3.1 million** Additional federal funding to the Louisiana Commission on Law Enforcement through the American Recovery and Reinvestment Act of 2009. The Edward Byrne Memorial Justice Grant Program will provide funds for the implementation of juvenile justice reform and rehabilitation initiatives. These funds will be transferred to the Office of Juvenile Justice.

\$ **1.6 million** Additional funding in the Office of Elderly Affairs through various line-item amendments for parish councils on aging and senior centers (SGF).

\$ **964,000** Additional federal funding in the Office of Elderly Affairs from the American Recovery and Reinvestment Act.

\$ **509,000** Additional funding from the Pari-Mutuel Live Racing Facility Gaming Control Fund and from self-generated revenues for Equine Drug Testing. The Louisiana State Racing Commission has a current contract with LSU that was initiated on July 1, 2006 and will expire on June 30, 2009. This funding will cover the new contract along with the increase in fees that LSU is charging the Racing Commission for equine testing.

\$ **500,000** Additional State General Fund for the Louisiana Commission on Law Enforcement and the Task Force on Violent Crime for crime prevention activities for Algiers, Gretna, and the West Bank of Jefferson Parish and Plaquemines Parish.

\$ **486,000** Additional funding from the Pari-Mutuel Live Racing Facility Gaming Control Fund to the Louisiana State Racing Commission for a security contract for racetracks statewide.

(\$ **1.5 billion**) Non-recur excess federal budget authority in the Division of Administration's Community Development Block Grant Program. These FEMA funds were used for expenditures associated with the Road Home Program. Total Road Home funding in FY 09-10 will be \$4.6 billion.

Schedule 01 - Executive Department

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- (\$ **20.2 million**) Non-recur Statutory Dedication funding in the Division of Administration from the State Emergency Response Fund.
- (\$ **12.4 million**) Non-recur Statutory Dedication funds (\$5.4 million) and Interagency Transfer funds (\$7 million) in the Department of Military Affairs. The State Emergency Response funds were used for expenses relative to the deployment of the Louisiana National Guard to New Orleans to assist with law enforcement efforts post Hurricane Katrina.
- (\$ **5.8 million**) Transfer funds from various means of finance for domestic violence shelters from the Office on Women's Policy to the Department of Social Services (DSS). Funds for Family Violence Programs will be administered through the Office of Community Services' Child Welfare Services Program.
- (\$ **2.6 million**) Reduction of federal funding and 52 vacant military police positions in Military Affairs.
- (\$ **1.9 million**) The Oil Spill Coordinator's Office, including all funding and 11 positions, was transferred from the Executive Office to the Department of Public Safety.
- (\$ **1.7 million**) The Louisiana Board of Cosmetology, along with all funding and 25 positions, was removed from the State Operating Budget.

Schedule 03 - Department of Veterans Affairs

Budget Analyst: Paul Prejean (342-1394)

The Department of Veterans Affairs includes the Veterans Affairs Administration, Claims, Contact Assistance, and State Approval Agency programs and five war veterans' homes.

SCHEDULE 03 - DEPARTMENT OF VETERANS AFFAIRS				
Means of Financing (MOF)	Existing Operating Budget FY 2008-09	Act 10 and HB 881 Enrolled FY 09-10	Change From FY 08-09 to FY 09-10	Percent Change From FY 08-09 to FY 09-10
State General Fund (SGF)	\$12,827,219	\$11,022,288	(\$1,804,931)	-14.07%
Interagency Transfers (IAT)	\$0	\$187,908	\$187,908	100.00%
Fees and Self-gen. Rev. (SGR)	\$12,918,502	\$13,277,756	\$359,254	2.78%
Statutory Dedications (SD)	\$357,605	\$300,000	(\$57,605)	-16.11%
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$20,084,593	\$24,094,798	\$4,010,205	19.97%
TOTAL MOF	\$46,187,919	\$48,882,750	\$2,694,831	5.83%
Authorized Positions	795	816	21	2.64%

- \$ **1.3 million** Provide funding for classified state workers, annualization of merits and salary base adjustment (\$296,626 SGF; \$64,021 SGR; \$909,607 FED).
- \$ **883,573** Additional funding for 27 positions in the Northwest War Veterans Home (4) and Southeast War Veterans Home (23) (\$78,581 SGR; \$804,992 FED).
- \$ **444,293** Provide funding for risk management (\$142,847 SGF; \$22,945; \$278,501 FED).
- \$ **(324,426)** Reduction based on salary and related benefits of 12 positions eliminated in the deficit reduction plan approved in January (\$278,788 SGF; \$45,638 FED).
- \$ **(232,512)** Reduce funding and 6 positions at the Southwest Louisiana War Veterans Home (\$137,700 SGR; \$94,812 FED).

Schedule 04A – Department of State

Budget Analyst: Paul Prejean (342-1394)

SCHEDULE 04A - SECRETARY OF STATE				
Means of Financing (MOF)	Existing Operating Budget FY08-09	Act 10 and HB 881 Enrolled FY09-10	Change from FY08-09 to FY09-10	Percent Change
State General Fund	\$55,880,042	\$21,022,602	(\$34,857,440)	(62.38%)
Interagency Transfers	\$867,035	\$22,566,006	\$21,698,971	2502.66%
Fees and Self-generated Rev	\$16,152,365	\$16,331,054	\$178,689	1.11%
Statutory Dedications	\$17,152,365	\$14,464,805	(\$2,687,560)	(15.67%)
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	0.00%
TOTAL MOF	\$90,051,807	\$74,384,467	(\$15,667,340)	(17.40%)
Authorized Positions	342	337	-5	(1.46%)

The overall decrease in total means of finance is primarily due to non-recurring carryforwards and reductions in the election program as a result of not having any scheduled statewide elections at present. The reduction in State General Fund is attributed to a means of finance substitution replacing State General Fund with funding from the American Recovery and Reinvestment Act of 2009. The reduction in Statutory Dedications is attributable to non-recurred carryforwards and non recurring major repairs and acquisitions.

The Department received \$21.7 million from the State Fiscal Stabilization Fund Flex Grant (America Recovery and Reinvestment Act of 2009).

\$	1.1 million	Provides funding for classified employee merit increases, annualized merit increases for classified state employees, and salary base adjustment (\$447,151 SGF; \$655,364 SGR).
\$	(7.6 million)	Decrease funding for election expenses. Fewer funds are needed when there are no scheduled statewide elections (SGF).
\$	(5.5 million)	Non-recur carryforwards (\$3.1 million SGF; \$75,000 IAT; \$437,262 SGR; \$1.7 million SD)
\$	(497,313)	Decrease funding due to the attrition adjustment (\$403,522 SGF; \$93,795 SGR).
\$	(249,704)	Decrease funding and 5 positions: the Museum and Other Operations program (2 positions, \$68,077) and the Elections program (3 positions, \$181,627) (SGF).

Schedule 04-141 Office of the Attorney General

Senior Legislative Analyst: Peter Conroy (342-6292)

SCHEDULE04 - 141 OFFICE OF THE ATTORNEY GENERAL				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	Act 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$17,430,977	\$8,190,044	(\$9,240,933)	(53.01%)
Interagency Transfers	\$20,974,870	\$20,170,622	(\$804,248)	(3.83%)
Fees and Self-generated Rev	\$1,309,919	\$1,311,091	\$1,172	0.09%
Statutory Dedications	\$10,400,596	\$9,997,501	(\$403,095)	(3.88%)
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds	\$4,494,459	\$11,703,850	\$7,209,391	160.41%
TOTAL MOF	\$54,610,821	\$51,373,108	(\$3,237,713)	(5.93%)
Authorized Positions	521	507	-14	(2.69%)

\$ (6.2 million) Reduced State General Fund and replaced with \$6.2 million American Recovery and Reinvestment Act of 2009 Federal Funds.

\$ 0 Provides seven additional Authorized Positions to support on-line predator initiatives.

Schedule 04C – Lieutenant Governor

Budget Analyst: Paul Prejean (342-1394)

SCHEDULE 04C - OFFICE OF LIEUTENANT GOVERNOR				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	Act 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 FY 09-10	Percent Change
State General Fund	\$3,937,107	\$1,558,519	(\$2,378,588)	(60.4%)
Interagency Transfers	\$615,058	\$1,858,850	\$1,243,792	202.2%
Fees and Self-generated Rev	\$150,000	\$150,000	\$0	0.0%
Statutory Dedications	\$24,700	\$0	(\$24,700)	(100.0%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$7,762,922	\$5,998,769	(\$1,764,153)	(22.7%)
Total MOF	\$12,489,787	\$9,566,138	(\$2,923,649)	(23.4%)
Authorized Positions	28	25	(3)	(10.7%)

The overall decrease in total means of finance is primarily due to non-recurring carryforward federal funding for hurricane recovery grants and the elimination of advertising grants for the Retirement Development Commission. The reduction in State General Fund is attributed to a means of finance substitution replacing State General Fund with funding from the American Recovery and Reinvestment Act of 2009.

\$	(3.1 million)	Non-recur carry forwards (\$57,745 SGF; \$3.1 million FED)
\$	(303,580)	Reduce funding for the salary base adjustment (SGF).
\$	(391,734)	Reduce funding by eliminating advertising and grants funding for the Retirement Development Commission (SGF).
\$	(250,000)	Reduce funding in professional services (SGF).
\$	(206,938)	Reduce funding and 3 positions in the Administrative program (SGF).

Schedule 04 – Department of Treasury
Budget Analyst: Eddriene Sylvester (342-1964)

SCHEDULE 04 - DEPARTMENT OF TREASURY				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 FY 09-10	Percent Change
State General Fund	\$1,459,843	\$645,060	(\$814,783)	(55.8%)
Interagency Transfers	\$1,436,120	\$1,954,970	\$518,850	36.1%
Fees and Self-generated Rev	\$7,191,041	\$7,579,339	\$388,298	5.4%
Statutory Dedications	\$3,171,417	\$2,321,417	(\$850,000)	(26.8%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$1,000	\$0	(\$1,000)	(100.0%)
Total MOF	\$13,259,421	\$12,500,786	(\$758,635)	(5.7%)
Authorized Positions	66	63	(3)	(4.5%)

The reduction in State General Fund results from a means of finance substitution with American Recovery and Reinvestment Act of 2009 funds for operational expenses in the Financial Accountability and Control program. Statutory Dedications from the Incentive Fund are reduced \$850,000.

\$	350,000	New funding for the the Administrative Program for moving expenses for the relocation of the Department of Treasury. (SGR)
\$	(850,000)	Reduces budget authority in Statutory Dedications - Incentive Fund. (SD)
\$	(280,946)	Reduces funding and three (3) authorized positions in the Financial Accountability and Control Program in the Audit and Compliance Division. (SGF)
\$	(516,116)	Means of finance substitution reduction State General Fund by \$516,116 with the American Recovery and Reinvestment Act of 2009 in the Financial Accountability and Control Program for operational support. Funding will be received from the Division of Administration via IAT. (SGF)

Schedule 04E - Public Service Commission

Budget Analyst: Paul Prejean (342-1394)

SCHEDULE 04E - PUBLIC SERVICE COMMISSION				
Means of Financing (MOF)	Existing Operating Budget FY08-09	Act 10 and HB 881 Enrolled FY09-10	Change from FY08-09 to FY09-10	Percent Change
State General Fund	\$0	\$0	\$0	0.00%
Interagency Transfers	\$0	\$0	\$0	0.00%
Fees and Self-Generated Rev	\$0	\$0	\$0	0.00%
Statutory Dedications	\$8,017,828	\$8,993,160	\$975,332	12.16%
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	0.00%
TOTAL MOF	\$8,017,828	\$8,993,160	\$975,332	12.16%
Authorized Positions	94	103	9	9.57%

The increase in total means of finance is attributable to the restoration of positions and associated funding and funding for classified state employee merit increases.

\$ **884,438** Provides funding for the restoration of nine (9) positions in the Motor Carrier Registration program (SD).

\$ **155,884** Provides funding for state employee merit increases (SD).

Schedule 04F – Department of Agriculture and Forestry

Budget Analyst: Paul Prejean (342-1394)

SCHEDULE 04F - DEPARTMENT OF AGRICULTURE AND FORESTRY				
Means of Financing (MOF)	Existing Operating Budget FY08-09	Act 10 and HB 881 Enrolled FY09-10	Change from FY08-09 to FY09-10	Percent Change
State General Fund	\$39,605,171	\$20,559,242	(\$19,045,929)	(48.09%)
Interagency Transfers	\$14,066,542	\$13,509,419	(\$557,123)	(3.96%)
Fees and Self-generated Rev	\$10,709,860	\$10,419,016	(\$290,844)	(2.72%)
Statutory Dedications	\$35,163,774	\$33,903,389	(\$1,260,385)	(3.58%)
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds	\$16,235,786	\$12,173,415	(\$4,062,371)	(25.02%)
TOTAL MOF	\$115,781,133	\$90,564,481	(\$25,216,652)	(21.78%)
Authorized Positions	785	710	-75	(9.55%)

The overall change in total means of finance is due to non-recurring carryforwards, personnel reductions and non-recurring other adjustments. The reduction in State General Fund is attributed to a means of finance substitution replacing State General Fund with funding from the American Recovery and Reinvestment Act of 2009. The reduction in Interagency Transfers is attributable to non-recurring funding from the Governor's Office Of Homeland Security and Emergency Preparedness. The reduction in Statutory Dedications is attributable to various statewide adjustments, non-recurring other adjustments and non-recurring major repairs and acquisitions. The decrease in Federal Funds is due to personnel reductions, non-recurring other adjustments and non-recurring carryforwards.

The Department received \$12.9 million from the State Fiscal Stabilization Fund Flex Grant (America Recovery and Reinvestment Act of 2009).

\$	3 million	Provides funding for the Agricultural and Environmental Sciences program and the Forestry program (SGF)
\$	3 million	Provides funding for the Boll Weevil Eradication program (SGF)
\$	1.9million	Provides funding for the Forestry program for wildfire suppression (SGF)
\$	1.8 million	Provides funding for classified merit increases, annualized merit increases and salary base adjustment (\$1.2 million SGF; \$1 million SGR; \$414,907 SD)
\$	(17.3 million)	Non-recur funding for grants, legislative amendments, and excess revenues (\$13.5 million IAT; \$1.2 million SGR; \$638,000 SD; \$1.9 million FED)

Schedule 04F – Department of Agriculture and Forestry

Budget Analyst: Paul Prejean (342-1394)

\$	(8 million)	Reduce funding and delete 75 positions throughout the Department of Agriculture (\$5.7 million SGF; \$184,000 SGR; \$2.1 million FED).
\$	(7.3 million)	Non-recur carry forward funding (\$5.4 million SGF; \$1.9 million FED).
\$	(1.2 million)	Non-recur funding for acquisitions and major repairs (\$858,764 SGF; 392,597 SD).
\$	(515,671)	Reduce funding due to the attrition adjustment (\$464,182 SGF; \$51,489 SG).

Schedule 04G - Commissioner of Insurance

Budget Analyst: Paul Prejean (342-1394)

SCHEDULE 04G - COMMISSIONER OF INSURANCE				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	Act 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$0	\$0	\$0	0.00%
Interagency Transfers	\$0	\$0	\$0	0.00%
Fees and Self-generated Rev	\$29,859,482	\$27,713,242	(\$2,146,240)	(7.19%)
Statutory Dedications	\$1,115,931	\$1,125,183	\$9,252	0.83%
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds	\$804,061	\$548,593	(\$255,468)	(31.77%)
TOTAL MOF	\$31,779,474	\$29,387,018	(\$2,392,456)	(7.53%)
Authorized Positions	281	274	(7)	(2.49%)

The change in total means of finance is attributable to non-recurred carryforwards, non recurring major repairs and acquisitions and attrition.

- \$ **847,908** Additional funding for the salary base adjustment (\$792,518 SGR; \$44,965 SD; \$10,425 FED).
- \$ **518,081** Additional funding for classified state employee merit increases and annualizations of merit increases (\$478,447 SGR; \$31,977 SD; \$7,657 FED).
- \$ **339,863** Additional funding for data processing software maintenance contracts (SGR).
- \$ **(1.5 million)** Reduce funding for travel, supplies, acquisitions, professional services and other charges (SGR).
- \$ **(1 million)** Eliminate funding and 7 vacancies in the Administrative program (2) (\$429,016) and Market Compliance program (5) (\$576,639) (SGR).

Schedule 05 – Department of Economic Development

Budget Analyst: Daniel Waguespack (342-7477)

SCHEDULE 05 - DEPARTMENT OF ECONOMIC DEVELOPMENT				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$35,251,580	\$17,503,285	(\$17,748,295)	(50.3%)
Interagency Transfers	\$122,249,122	\$1,681,104	(\$120,568,018)	(98.6%)
Fees and Self-generated Rev	\$2,906,381	\$2,869,797	(\$36,584)	(1.3%)
Statutory Dedications	\$111,419,576	\$67,169,176	(\$44,250,400)	(39.7%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$2,826,246	\$0	(\$2,826,246)	(100.0%)
Total MOF	\$274,652,905	\$89,223,362	(\$185,429,543)	(67.5%)
Authorized Positions	131	131	0	0.0%

Although total means of finance decreases by 67.5%, the reductions will not drastically impact the department's core mission or delivery of services. The funding reduction is largely due to non-recurred adjustments and carryforwards attributed to Workforce Development and Training, Economic Development Award Program, Financial Assistance Program, Business Recovery Grant and Loan Program, and Technical Assistance to Small Firms Program used to promote business in Louisiana. Three of the items below illustrate the department's increased focus on small businesses.

- \$ **27 million** Continued funding for the Governor's Economic Development Rapid Response Program (SD)
- \$ **2.0 million** Funding from the Louisiana Mega-Project Development Fund for the Louisiana FastStart program to provide training related to V-Vehicle Company (SD)
- \$ **211,478** Additional funding from the Louisiana Economic Development Fund for Small Business Development Centers. Total funding level is \$1 million (SD)
- \$ **100,000** Additional funding from the Louisiana Economic Development Fund for Louisiana Business Incubation Support activities. Total funding level is \$400,000 (SD)
- \$ **192,000** Additional funding from the Louisiana Economic Development Fund for the Small and Emerging Business Development Program. Total funding level is \$800,000 (SD)
- (\$ **120 million**) Non-recurred two hurricane programs related to Katrina and Rita (Business Recovery Grant and Loan Program and Technical Assistance to Small Firms Program) (IAT)
- (\$ **2.8 million**) Non-recurred a federal Economic Development Administration grant for hurricane recovery services (FED)

Schedule 06 – Department Culture, Recreation and Tourism

Budget Analyst: Paul Prejean (342-1394)

SCHEDULE06 - DEPARTMENT OF CULTURE, RECREATION AND TOURISM				
Means of Financing (MOF)	Existing Operating Budget FY08-09	Act 10 and HB 881 Enrolled FY09-10	Change from FY08-09 to FY09-10	Percent Change
State General Fund	\$69,595,652	\$35,684,522	(\$33,911,130)	(48.73%)
Interagency Transfers	\$2,361,393	\$23,320,172	\$20,958,779	887.56%
Fees and Self-generated Rev	\$25,543,591	\$23,500,545	(\$2,043,046)	(8.00%)
Statutory Dedications	\$5,335,941	\$989,500	(\$4,346,441)	(81.46%)
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds	\$11,873,354	\$9,923,519	(\$1,949,835)	(16.42%)
TOTAL MOF	\$114,709,931	\$93,418,258	(\$21,291,673)	(18.56%)
Authorized Positions	787	751	-36	(4.57%)

The reduction in State General Fund is attributed to a means of finance substitution replacing SGF with Interagency Transfers from the American Recovery and Reinvestment Act of 2009. The reduction in Statutory Dedications is attributable to non-recurred carryforwards and non-recurring major repairs and acquisitions. The change in Self-generated Revenue is due to revised estimates of collections. The decrease in Federal Funds is due to non-recurred carryforwards.

The Department received \$21.8 million from the State Fiscal Stabilization Fund Flex Grant (America Recovery and Reinvestment Act of 2009).

- \$ **1.5 million** Provide funding for House Moving and Rehabilitation grants as part of a programmatic agreement between the Office of Cultural Development and the U.S Department of Veteran's Affairs (\$1million FED; \$500,000 SGR).
- \$ **824,921** Provides funding for risk management premiums (\$812,954 SGF; \$11,967 SGR).
- \$ **800,000** Provide funding to the Administrative Program for Road Home mitigation from the Office of Community Development (IAT).
- \$ **(8.1 million)** Non-recur carry forward (\$3 million SGF; \$1.7 million IAT; \$3.3 million FED).
- \$ **(4.6 million)** Non-recur funding for grants, legislative appropriations, and excess revenues (\$2.2 million SGF; \$65,000 IAT; \$2.4 million SD).
- \$ **(2.4 million)** Non-recur funding for acquisitions and major repairs (\$264,282 SGF; \$219,850 SGR; \$1.9 million SD).

Schedule 07 – Department of Transportation and Development

Budget Analyst: Alan M. Boxberger (342-0474)

SCHEDULE 07 - DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$0	\$1,749,765	\$1,749,765	100.0%
Interagency Transfers	\$9,096,456	\$7,045,104	(\$2,051,352)	(22.6%)
Fees and Self-generated Rev	\$54,217,007	\$44,116,161	(\$10,100,846)	(18.6%)
Statutory Dedications	\$502,815,946	\$466,723,047	(\$36,092,899)	(7.2%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$22,119,543	\$21,047,220	(\$1,072,323)	(4.8%)
Total MOF	\$588,248,952	\$540,681,297	(\$47,567,655)	(8.1%)
Authorized Positions	4,836	4,704	(132)	(2.7%)

The \$47.6 million decrease in Total Means of Finance for the Department of Transportation and Development (DOTD) is primarily due to non-recurring \$40.9 million carried forward into FY 08-09 from the previous year for contracts and invoice items that were not liquidated prior to the end of fiscal year closeout, and a reduction of \$10.3 million related to the elimination of 132 positions. Nonrecurring carry forward funds from the existing operating budget indicates that the department's overall base budget decreased by \$6.6 million, or 1.2%.

- \$ **466.7 million** 86.4% of the DOTD operating budget is funded from Statutory Dedications - primarily from the Transportation Trust Fund (state gasoline tax) and Federal Highway Administration funding.
- \$ **348.4 million** 64.5% of the funding, and 72.6% of the authorized positions, are in the District Operations Program providing for operation and maintenance of the state's highway system.
- \$ **24.9 million** Provides for contract maintenance for mowing, litter abatement, traffic signal maintenance and installation, rest area security, guardrail maintenance and highway striping.
- \$ **17.8 million** Heavy equipment replacements in the District Operations Program utilized for highway maintenance.

NOTE: Funding for Highways, Ports, Flood Control, Airports, and other Public Improvement capital projects can be found in House Bill 2.

Schedule 08 - Department of Corrections

Budget Analyst: Christopher Keaton (342-8569)

Corrections Services includes thirteen budget units: Administration, Paul Phelps Correctional Center (CC), Louisiana State Penitentiary, Avoyelles CC, Correctional Institute for Women, Winn CC, Allen CC, Dixon Correctional Institute, J. Levy Dabadie Correctional Center, Elayn Hunt CC, David Wade CC, B.B. Sixty Rayburn CC, and Probation and Parole.

SCHEDULE 08 - DEPARTMENT OF CORRECTIONS				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change From FY 08-09 to FY 09-10	Percent Change
State General Fund (SGF)	\$484,367,072	\$444,825,831	(\$39,541,241)	-8.16%
Interagency Transfers (IAT)	\$4,962,871	\$5,232,324	\$269,453	5.43%
Fees and Self-gen. Rev. (SGR)	\$41,479,773	\$44,507,543	\$3,027,770	7.30%
Statutory Dedications (SD)	\$9,125,115	\$54,000	(\$9,071,115)	-99.41%
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$3,329,151	\$3,149,115	(\$180,036)	-5.41%
TOTAL MOF	\$543,263,982	\$497,768,813	(\$45,495,169)	-8.37%
Authorized Positions	6,124	5,985	-139	-2.27%

- \$ **2 million** Additional State General Fund for the Steve Hoyle Rehabilitation Center, located in Tallulah, Louisiana. It will be transitioned into a local reentry facility for female offenders.
- \$ **955,000** Additional funding in Adult Probation and Parole for 300 passive GPS devices to monitor sex offenders. 11 vacant positions will be reassigned to provide supervision of the additional sex offenders being monitored.
- (\$ **39 million**) The Department of Corrections will eliminate 139 positions, and reduce expenses for travel, supplies, and professional services. Savings will be achieved through the conservation of utilities, the reduction of temporary employees, the consolidation of some inmate dorms, and standardization of and adjustments to inmate menus. There may be some adjustments to rehabilitation, educational, and vocational programs to achieve cost savings.
- (\$ **9 million**) Decreased Statutory Dedications from the Overcollections fund, which funded acquisitions and major repairs. There is no funding for acquisitions and major repairs in the FY 09-10 budget.

Schedule 08 - Department of Public Safety

Budget Analyst: Christopher Keaton (342-8569)

SCHEDULE 08 - DEPARTMENT OF PUBLIC SAFETY				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change From FY 08-09 to FY 09-10	Percent Change
State General Fund (SGF)	\$38,670,954	\$35,327,597	(\$3,343,357)	-8.65%
Interagency Transfers (IAT)	\$33,611,936	\$32,188,474	(\$1,423,462)	-4.23%
Fees and Self-gen. Rev. (SGR)	\$120,800,012	\$127,881,648	\$7,081,636	5.86%
Statutory Dedications (SD)	\$153,519,618	\$134,207,677	(\$19,311,941)	-12.58%
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$41,051,682	\$36,934,538	(\$4,117,144)	-10.03%
TOTAL MOF	\$387,654,202	\$366,539,934	(\$21,114,268)	-5.45%
Authorized Positions	2,892	2,853	-39	-1.35%

The Department of Public Safety includes the following agencies: Management and Finance, State Police, Motor Vehicles, Legal Affairs, State Fire Marshal, LA Gaming Control Board, Liquefied Petroleum Gas Commission and the LA Highway Safety Commission.

Major sources of revenue include video gaming receipts, drivers' license and vehicle registration fees, and insurance premiums to the Fire Marshal Fund.

There was a means of finance substitution to increase budget authority in Fees and Self-generated Revenues by \$4 million and decrease State General Funds by \$4 million.

- \$ **4 million** Additional Fees and Self-generated Revenues in State Police's Auxiliary Program to provide funding for the reconfiguration of the agency's frequency band.
- \$ **1.7 million** Federal funds to State Police to provide assistance to the regional crime labs.
- \$ **1.2 million** Additional Fees and Self-generated Revenues to the Motor Carrier Section in the Operational Support Program in State Police.
- \$ **300,000** Additional Fees and Self-generated Revenues to the State Police Crime Lab to refine processes and allow for software development to address the current backlog of cases.
- (\$ **16 million**) Budget authority and associated funding was non-recurred from various means of finance in Public Safety agencies for projects that were one-time in nature.
- (\$ **3.1 million**) Decrease in Fees and Self-generated Revenues due to the reduction of 83 other compensation positions in Public Safety and the reduction of overtime in State Police.
- (\$ **4 million**) The department will suspend the Next Generation Motor Vehicles Project, which was intended to reconfigure the drivers' license and registration system.

Schedule 08 - Youth Services

Budget Analyst: Christopher Keaton (342-8569)

SCHEDULE 08 - YOUTH SERVICES				
Means of Financing (MOF)	Existing Operating Budget FY 2008-09	HB 1 Enrolled FY 2009-10	Change From FY 08-09 to FY 09-10	Percent Change From FY 08-09 to FY 09-10
State General Fund (SGF)	\$153,438,742	\$136,422,794	(\$17,015,948)	-11.09%
Interagency Transfers (IAT)	\$13,299,550	\$16,449,550	\$3,150,000	23.69%
Fees and Self-gen. Rev. (SGR)	\$722,738	\$674,341	(\$48,397)	-6.70%
Statutory Dedications (SD)	\$6,221,328	\$375,000	(\$5,846,328)	-93.97%
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$537,921	\$537,921	\$0	0.00%
TOTAL MOF	\$174,220,279	\$154,459,606	(\$19,760,673)	-11.34%
Authorized Positions	1,275	1,187	-88	-6.90%

Youth Services includes the following programs: Administration, Swanson Correctional Center for Youth, Jetson Correctional Center for Youth, Bridge City Correctional Center for Youth, Field Services, Contract Services and Auxiliary Account.

Youth Services' budget was cut by \$19 million which is an 11.3% reduction from their current year budget.

- (\$ **5.1 million**) Reduces expenditures for travel, operating services, supplies, professional services, other charges, and acquisitions.
- (\$ **5.1 million**) Reduces expenditures for prevention and diversion program for juveniles outside the Youth Services system; These programs may be funded through the LA Commission on Law Enforcement with federal funds from the American Recovery and Reinvestment Act.
- (\$ **4.1 million**) Reduces State General Fund in the Contract Services Program for electronic monitoring of juveniles. Probation and Parole will increase their efforts to provide this service. An additional 34 positions will be added to Probation and Parole to monitor these juveniles.
- (\$ **2.8 million**) Reduces expenditures for acquisitions and major repairs.
- (\$ **1.8 million**) Reduces expenditures for the Contract Services Program for educational and truancy programs.

Schedule 09 - Department of Health and Hospitals

Budget Analyst: Connie Percell (219-4915)

DEPARTMENT OF HEALTH AND HOSPITALS				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	Act 10 and HB 881 Enrolled FY 09-10	Change From FY 08-09 to FY 09-10	Percent Change From FY 08-09 to FY 09-10
State General Fund (SGF)	\$2,057,569,785	\$1,449,586,412	(\$607,983,373)	-29.55%
Interagency Transfers (IAT)	\$531,254,348	\$640,637,102	\$109,382,754	20.59%
Fees and Self-gen. Rev. (SGR)	\$59,584,128	\$63,392,626	\$3,808,498	6.39%
Statutory Dedications (SD)	\$297,003,237	\$304,180,882	\$7,177,645	2.42%
Interim Emergency Board	\$684,000	\$0	(\$684,000)	-100.00%
Federal Funds (FED)	\$5,228,410,252	\$5,476,211,323	\$247,801,071	4.74%
TOTAL MOF	\$8,174,505,750	\$7,934,008,345	(\$240,497,405)	-2.94%
Authorized Positions	11,636	11,389	-247	-2.12%

The Department of Health and Hospitals (DHH) budget reflects an overall reduction in funding for FY 09-10 of \$240 million. This reduction can be attributed to a rate reduction for private providers. This budget also includes savings of \$41 million resulting from combining the Office of Mental Health's State Office, Areas A, B and C into one single budget unit.

DHH estimates the Federal Medical Assistance Percentage (FMAP) relief provision of the American Recovery and Reinvestment Act (ARRA) of 2009 will yield approximately \$1.4 billion to be received over a 27-month period beginning October 1, 2008 and ending December 31, 2010. Of this amount, \$626.5 million is appropriated in Medicaid for FY 09-10.

After 2010, the FMAP will decrease to 63.16% and is anticipated to result in a loss of \$500 million federal dollars.

Medicaid

\$ 102.8 million	Additional funding for the rebasing of Medicaid reimbursement rates for nursing home services in the event Senate Bill No. 247 of the 2009 Regular Session of the Legislature is signed by the governor (\$20.5M from the Medicaid Trust Fund for the Elderly and \$82.2M FED).
\$ 41.8 million	Additional funding for a mandatory price increase for pharmaceuticals and allowances for payment for pharmaceuticals recently approved by the Food and Drug Administration (\$11.5 M SGF; \$30.3M FED).
\$ 40 million	Additional funding for a rate increase for hospitals using the anticipated savings from the implementation of the Interqual criteria (\$8M SGF; \$32M FED).
\$ 25 million	Funding for the increase in Medicaid enrollments as a result of the economic downturn (\$7M SGF; \$18M FED).

Schedule 09 - Department of Health and Hospitals

Budget Analyst: Connie Percell (219-4915)

\$	23.5 million	Funding to cover the annualization of the FY 08-09 nursing home rebasing (\$18.8M SGF; \$1.3M SD; \$3.4M FED).
\$	10.5 million	Funding for increases in Medicare Part D (Prescription Drug Plan) clawback payments (SGF).
\$	10 million	Funding for the implementation of best practice clinical criteria thus ensuring appropriate admission to acute care facilities (\$2.5M SGF; \$7.5M FED).
\$	7.7 million	Additional uncompensated care costs funding for public and private rural hospitals and their rural health clinics (\$2.5M SGF; \$5.2M FED).
\$	7.5 million	Funding for the operation of a dual fiscal intermediary (\$750,000 SGF; \$6.7M FED).
\$	7.5 million	Additional funding to add 7 new rural health clinics and 4 new federally qualified health centers in FY 09-10 and to fund the annualization of rural health clinics and federally qualified health centers added in FY 08-09 (\$1.5M SGF; \$6M FED).
\$	6.7 million	Additional funding for the increase in Medicare Part A and Part B premiums due to additional eligibles in the Medicaid program (\$1.8M SGF; \$4.9M FED).
\$	5 million	Funding to establish an Electronic Health Record Information Technology Fund (SGF).
\$	4.3 million	Funding for the increased costs of contributions for Medicaid drug payments for dual-eligible recipients (SGF).
\$	4.3 million	Additional funding to provide for administrative costs associated with transitioning Medicaid to a medical home delivery model. The source of the funding is the Louisiana Health Care Redesign Fund (SD).
\$	3 million	Additional funding for the annualization of the FY 08-09 inclusion of licensed clinical social workers as Medicaid providers (\$1.5M SGF; \$1.5M FED).
\$	3 million	Additional funding for the mandated annual increase to reimbursement rates for rural health centers and federally qualified health centers (\$843,099 SGF; \$2.2M FED).
\$	2.5 million	Funding for the outpatient diagnostic utilization management program (\$1.25M SGF; \$1.25M FED).

Schedule 09 - Department of Health and Hospitals

Budget Analyst: Connie Percell (219-4915)

\$ **2 million** Additional funding to increase case management for at risk children. The source of the funding is the Social Services Block grant (IAT).

HOME AND COMMUNITY-BASED WAIVER PROGRAM

Act 10 includes \$488 million for 91,983 waivers.

To fund an additional 25% of the Registry and/or Waiting List would require an additional \$134 million.

HOME AND COMMUNITY-BASED WAIVERS			
Name of Waiver	Slots Funded FY 09-10	Waiver Funding in Act 10 and HB 881 Enrolled FY 09-10	Registry and/or Waiting List
New Opportunities (NOW)	8,567	381,466,621	9,475
Elderly and Disabled Adult (EDA)	4,403	65,578,266	6,169
Supports	2,188	14,067,175	2,459
Children's Choice	1,000	11,803,503	Uses NOW Registry
Adult Day Health Care (ADHC)	825	7,940,259	783
Family Planning	75,000	7,198,499	0
TOTAL SLOTS	91,983	488,054,698	18,886

Schedule 10 – Department of Social Services

Budget Analyst: Eddriene Sylvester (342-1964)

SCHEDULE 10 - DEPARTMENT OF SOCIAL SERVICES				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 FY 09-10	Percent Change
State General Fund	\$216,466,988	\$184,744,894	(\$31,722,094)	(14.7%)
Interagency Transfers	\$122,121,158	\$113,486,756	(\$8,634,402)	(7.1%)
Fees and Self-generated Rev	\$16,402,040	\$16,940,123	\$538,083	3.3%
Statutory Dedications	\$11,951,868	\$9,355,394	(\$2,596,474)	(21.7%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$753,515,595	\$908,878,179	\$155,362,584	20.6%
Total MOF	\$1,120,457,649	\$1,233,405,346	\$112,947,697	10.1%
Authorized Positions	5,057	4,935	(122)	(2.4%)

The increase in Total Means of Financing of \$112.8 million is attributable to additional federal funds which provided for hurricane disaster recovery and funding from the American Recovery and Reinvestment Act of 2009 for Supplemental Nutrition Assistance Program (SNAP), Support Enforcement, Child Care, Temporary Assistance for Needy Families (TANF), Child Welfare and Rehabilitation Services. TANF expenditures increase from \$67.2 million in FY 08-09 to \$114 million in FY 09-10.

- \$ **127.3 million** Additional funding for hurricane disaster recovery. (FED)
- \$ **55.3 million** Funding from the American Recovery and Reinvestment Act of 2009 for Supplemental Nutrition Assistance Program (SNAP), TANF, Support Enforcement, Child Care, Child Welfare and Rehabilitation Services. Replaces \$31.0 million in State General Fund. (FED)
- \$ **46.8 million** Continued funding to the Office of Family Support for TANF initiatives (FED)
- \$ **11 million** Additional funding to the Office of the Secretary for the modernization of the information technology systems within the department and customer access to legacy. (SGF)
- \$ **7.5 million** Additional funding to the Office of Family Support for administration of the Child Care Development Block Grant Fund. (SGF)
- \$ **3.2 million** Transferred funding and one position from the Office of Women's Policy to the Office of Community Services. (\$1.2 SGF; \$445,083 SGR; \$92,753 SD, \$1.5M FED)
- \$ **(15 million)** Reduces funding in salaries and related benefits and authorized positions by 110 positions. (\$4.7M SGF; \$1.4M IAT; \$8.9M FED)
- \$ **(1.8 million)** Eliminates funding and 13 authorized positions for the Young Adult program (YAP) in the Office of Community Services. (\$1.6M SGF; \$195,000 FED)

Schedule 11 – Department of Natural Resources

Budget Analyst: Alan M. Boxberger (342-0474)

SCHEDULE 11 - DEPARTMENT OF NATURAL RESOURCES				
Means of Financing (MOF)	Existing Operating Budget FY08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY08-09 to FY09-10	Percent Change
State General Fund	\$6,787,408	\$4,971,451	(\$1,815,957)	(26.8%)
Interagency Transfers	\$15,025,251	\$16,843,920	\$1,818,669	12.1%
Fees and Self-generated Rev	\$345,875	\$365,875	\$20,000	5.8%
Statutory Dedications	\$110,099,630	\$166,589,237	\$56,489,607	51.3%
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$42,014,992	\$84,105,761	\$42,090,769	100.2%
Total MOF	\$174,273,156	\$272,876,244	\$98,603,088	56.6%
Authorized Positions	510	508	(2)	(0.4%)

The \$98.5 million increase in Total Means of Finance for the Department of Natural Resources (DNR) is primarily due to an additional \$55.3 million in Statutory Dedications for projects related to coastal protection and restoration, and \$42.7 million in funds from the American Recovery and Reinvestment Act of 2009 related to the State Energy Program.

- \$ **260.6 million** 91.8% of the DNR budget is funded from a combination of Statutory Dedications and Federal Funds.
- \$ **157.6 million** 57.8% of the DNR budget is allocated to the Office of Coastal Restoration and Management. \$123.1 million of this amount is allocated directly to specific coastal construction and restoration projects.
- \$ **42.7 million** Provides additional funding to the State Energy Program from the American Recovery and Reinvestment Act of 2009 to provide for activities related to promoting efficient use of natural resources and energy, and developing renewable, non-renewable and alternative sources of energy by providing training, technical assistance, information and policy analysis.
- \$ **1 million** Southeast Louisiana Flood Protection Authorities to be split evenly between the East Bank Authority and the West Bank Authority. The Department of Environmental Quality's mission is to promote and protect the health, safety, and welfare of the people of Louisiana while considering sound policies regarding employment and economic development. DEQ is comprised of 5 offices: Secretary, Management and Finance, Environmental Compliance, Environmental Services, and Environmental Assessment.

Schedule 13 - Department of Environmental Quality

Budget Analyst: Christopher Keaton (342-8569)

SCHEDULE 13 - DEPARTMENT OF ENVIRONMENTAL QUALITY				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change From FY 08-09 to FY 09-10	Percent Change
State General Fund (SGF)	\$10,272,763	\$4,254,407	(\$6,018,356)	-58.59%
Interagency Transfers (IAT)	\$3,217,847	\$522,792	(\$2,695,055)	-83.75%
Fees and Self-gen. Rev. (SGR)	\$389,385	\$389,385	\$0	0.00%
Statutory Dedications (SD)	\$114,529,207	\$115,109,579	\$580,372	0.51%
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$27,767,804	\$30,417,643	\$2,649,839	9.54%
TOTAL MOF	\$156,177,006	\$150,693,806	(\$5,483,200)	-3.51%
Authorized Positions	933	933	0	0.00%

The Department of Environmental Quality's mission is to promote and protect the health, safety, and welfare of the people of Louisiana while considering sound policies regarding employment and economic development. DEQ is comprised of 5 offices: Secretary, Management and Finance, Environmental Compliance, Environmental Services, and Environmental Assessment.

Environmental Trust Fund (ETF) revenues are realized through the collection of permits, licenses, registrations, variances, and monitoring fees charged by DEQ to facilities whose operations impact the environment. The formula used to assess fees should be equal to the annual cost of maintenance, permitting, monitoring, investigation, administration and other activities required of DEQ. The ETF has recurring revenue of about \$58 million.

Waste Tire Management Fund revenues accumulate through the collection of fees on the sale of tires (\$2 for a passenger/light tire; \$5 for a medium truck tire; and \$10 for an off-road tire). Permitted waste tire processors are paid \$1.50 per twenty pounds of tire material that is recycled. Payments are conditioned on the processor providing proper documentation including manifests, statements, and certified scale-weight tickets. Revenues to the fund total approximately \$8 million to \$11 million per year.

Hazardous Waste Site Cleanup Fund revenues are derived from judgments, settlements, and assessments of criminal or civil penalties from responsible parties. Monies from the fund are used to defray the cost of investigation, testing, containment, control, and cleanup of hazardous waste sites. The balance in the fund cannot exceed \$6 million, and any remaining funds are deposited into the Environmental Trust Fund.

Motor Fuels Underground Storage Tank Trust Fund revenues are realized through fees of 8/10 of 1 cent per gallon of motor fuel delivered by distributors. Monies in the fund are used to assess the release of motor fuel contaminants, to provide for alternative drinking sources where primary water sources are polluted by leaking tanks, and to clean or remediate contaminated underground tank sites. The amount budgeted from the fund in FY 2009-10 is \$25 million.

Schedule 13 - Department of Environmental Quality

Budget Analyst: Christopher Keaton (342-8569)

- (\$ **5.5 million**) Budget cuts to acquisitions and major repairs (\$1 million), the elimination of vacant positions (\$2.9 million) and a reduction of professional services and operating supplies (\$1.6 million).
- \$ **3.7 million** Means of finance swap decreasing State General Fund and increasing Statutory Dedications from the Environmental Trust Fund.
- \$ **3.5 million** Additional federal funding to the Environmental Assessment Program related to the American Recovery and Reinvestment Act of 2009.
- (\$ **2.7 million**) Non-recur carryforward (\$2.1 million Statutory Dedications and \$600,000 Interagency Transfers) for the purchase of vehicles, payments to contractors for work related to hurricane recovery efforts, contract payments for hazardous waste site cleanup, and purchases of furniture and equipment.
- (\$ **2.1 million**) Non-recur interagency transfers of Federal Funds from the Governor's Office of Homeland Security and Emergency Preparedness for demolitions and landfill oversight related to hurricane recovery efforts.

Schedule 14 – Louisiana Workforce Commission

Budget Analyst: Daniel Waguespack (342-7477)

SCHEDULE 14 - LOUISIANA WORKFORCE COMMISSION				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$3,624,596	\$0	(\$3,624,596)	(100.0%)
Interagency Transfers	\$35,765,024	\$17,276,860	(\$18,488,164)	(51.7%)
Fees and Self-generated Rev	\$19,417	\$0	(\$19,417)	(100.0%)
Statutory Dedications	\$112,520,095	\$112,912,315	\$392,220	0.3%
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$147,804,672	\$161,489,800	\$13,685,128	9.3%
Total MOF	\$299,733,804	\$291,678,975	(\$8,054,829)	(2.7%)
Authorized Positions	1,063	928	(135)	(12.7%)

The FY 09-10 budget eliminated the department's dependence on State General Fund and increased Federal Funds related to the American Recovery and Reinvestment Act of 2009 for the Unemployment Benefits Program and the Community Based Services Program.

- \$ **23.5 million** New funding from the Community Service Block Grant Act of 2009 for services and activities addressing employment, education, better use of available income, housing, nutrition, emergency services, and health care to combat the central causes of poverty (FED - American Recovery and Reinvestment Act of 2009)
- \$ **7 million** New funding from the Reed Act Stimulus Unemployment Trust Fund for employment reentry (FED - American Recovery and Reinvestment Act of 2009)
- \$ **671,732** Additional funding from the Office of Worker's Compensation Administration Account to allow the agency to operate field offices to respond to an increase in worker compensation claims (SD)
- (\$ **3.8 million**) Reduced 135 vacant positions and funding as part of the department's restructuring (\$415,380 IAT; \$366,576 SGR; \$3.1 million FED)
- (\$ **3.6 million**) Non-recurred funding provided to implement Act 743 of the 2008 Regular Session which created the Louisiana Workforce Commission (SGF)
- (\$ **18 million**) Non-recurred a Community Development Block Grant to provide workforce training in the hurricane impacted areas of South Louisiana. Of the original \$28 million received in FY 08-09, \$10 million remains and will fund efforts in the Job Training and Placement Program for FY 09-10 (IAT)

Schedule 16 - Department of Wildlife and Fisheries

Budget Analyst: Christopher Keaton (342-8569)

SCHEDULE 16 - DEPARTMENT OF WILDLIFE AND FISHERIES				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change From FY 08-09 to FY 09-10	Percent Change
State General Fund (SGF)	\$90,000	\$100,000	\$10,000	11.11%
Interagency Transfers (IAT)	\$6,416,666	\$6,127,883	(\$288,783)	-4.50%
Fees and Self-gen. Rev. (SGR)	\$90,300	\$124,500	\$34,200	37.87%
Statutory Dedications (SD)	\$79,362,058	\$86,215,190	\$6,853,132	8.64%
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$82,890,216	\$82,920,431	\$30,215	0.04%
TOTAL MOF	\$168,849,240	\$175,488,004	\$6,638,764	3.93%
Authorized Positions	800	783	-17	-2.13%

The Department of Wildlife and Fisheries is comprised of four agencies: Office of Management and Finance, Office of Secretary, Office of Wildlife, and Office of Fisheries.

The major source of revenue is from the Conservation Fund, which has recurring revenue of approximately \$60 million.

- \$ **2.7 million** Additional Statutory Dedication Funds to adequately fund positions.
- \$ **2.2 million** Additional Statutory Dedication Funds for statewide adjustments including merit increases and health insurance increases.
- \$ **987,000** Additional Statutory Dedication Funds from the Russell Sage Marsh Island Capital Improvement Fund for levee repairs.
- \$ **856,000** Additional funds (\$157,000 Statutory Dedications and \$699,000 Federal) to the Wildlife Program for hunter education and wildlife restoration projects on Wildlife Management Areas.
- \$ **534,000** Additional Statutory Dedication Funds to offset a loss of federal funds.
- \$ **490,000** Increase federal budget authority for the Fisheries Program in the Marine Fisheries Division for 3 projects: United States Fish & Wildlife Service Sportfish Restoration (Marine), United States Fish & Wildlife Service Sportfish (Inland), and the United States Fish & Wildlife Service Assessment of Finfish due to increases in federal grant amounts.
- \$ **426,000** Additional Statutory Dedication Funds for information technology projects.
- \$ **60,000** Additional State General Funds for aquatic weed control on Lake Bistineau.
- \$ **40,000** Additional State General Funds for aquatic weed control on Cypress-Black Bayou Lakes.

Schedule 17 - Department of Civil Service

Budget Analyst: Eddriene Sylvester (342-1964)

SCHEDULE 17 - DEPARTMENT OF CIVIL SERVICE				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$5,174,926	\$5,157,533	(\$17,393)	(0.34%)
Interagency Transfers	\$12,622,810	\$12,278,012	(\$344,798)	(2.73%)
Fees and Self-generated Rev	\$652,637	\$664,728	\$12,091	1.85%
Statutory Dedications	\$1,625,133	\$1,730,090	\$104,957	6.46%
Interim Emergency Board	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	0.00%
TOTAL MOF	\$20,075,506	\$19,830,363	(\$245,143)	(1.22%)
Authorized Positions	187	189	2	1.07%

The level of funding provided to the Department of Civil Service will allow Ethics Administration to continue providing staff support for the Louisiana Board of Ethics and to educate public servants to ensure compliance with ethics reform.

- \$ **290,588** Additional funding and two (2) new positions in the Ethics Administration program to train staff and public servants of the new ethics reform laws. (SGF)
- \$ **125,841** Additional funding for the Municipal Fire and Police Civil Service statewide adjustments. (SD)
- \$ **100,000** Additional funding to the Division of Administration Law from the Louisiana Workforce Commission to continue contracts assisting in hurricane related administrative hearings in unemployment cases. (IAT)
- \$ **(453,255)** Eliminates funding provided to State Civil Service to secure the Online Application and Tracking system to track job announcements and hiring processes. (IAT)
- \$ **(296,919)** Eliminates funding provided to the Ethics Administration program for the Computerized Data Management System which facilitated electronic filing consumers and provided on-line computer access to disclosure reports filed with the Louisiana Board of Ethics.

Schedule 19A – Higher Education

Budget Analyst: Lois Azzarello (342-2412)

SCHEDULE 19A - HIGHER EDUCATION				
Means of Finance (MOF)	Existing Operating Budget FY 08-09 (as of 2/1/2009) (excludes LOSFA)	ACT 10 and HB 881 Enrolled FY 09-10 (includes LOSFA)	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$1,425,044,806	\$1,265,981,080	(\$159,063,726)	(11.2%)
Interagency Transfers	\$424,877,208	\$625,843,162	\$200,965,954	47.3%
Fees and Self-generated Rev	\$772,858,550	\$778,412,322	\$5,553,772	0.7%
Statutory Dedications	\$138,131,518	\$158,661,810	\$20,530,292	14.9%
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$96,092,905	\$177,592,732	\$81,499,827	84.8%
Total Means of Finance	\$2,857,004,987	\$3,006,491,106	\$149,486,119	5.2%
Authorized Positions	260	402	142	54.6%
<p>\$187.9 million State General Fund was replaced with funding from the State Fiscal Stabilization Fund, a federal grant in the American Recovery and Reinvestment Act of 2009. This revenue is reflected as Interagency Transfer from the Division of Administration Community Development Block Grant in the FY 09-10 appropriation.</p> <p>Changes between FY 08-09 and FY 09-10 reflected in these two tables are skewed because LOSFA funding is NOT included in Higher Education existing operating budget on February 1, 2009. The transfer of the Louisiana Office of Student Financial Assistance adds 140 positions and a total of \$254 million to the higher education FY 09-10 appropriation (\$148 million State General Fund, \$2 million Interagency Transfer, \$120,864 Fees and self-generated revenue, \$22 million Statutory Dedications and \$81.5 million Federal).</p>				
Total Means of Finance	Existing Operating Budget FY 08-09 (as of 2/1/2009) (excludes LOSFA)	ACT 10 and HB 881 Enrolled FY 09-10 (includes LOSFA)	Change from FY 08-09 to FY 09-10	Percent Change
Board of Regents	\$129,974,874	\$432,403,671	\$302,428,797	232.7%
LUMCON	\$9,240,576	\$8,728,563	(\$512,013)	(5.5%)
LOSFA (transferred into Higher Education)	\$0	\$253,396,395	\$253,396,395	100.0%
LSU System	\$1,550,888,511	\$1,376,095,797	(\$174,792,714)	(11.3%)
Southern System	\$148,556,148	\$118,127,636	(\$30,428,512)	(20.5%)
University of La System	\$732,747,359	\$591,375,106	(\$141,372,253)	(19.3%)
LCTCS System	\$285,597,519	\$226,363,938	(\$59,233,581)	(20.7%)
Total Means of Finance	\$2,857,004,987	\$3,006,491,106	\$149,486,119	5.2%
<p>This table reflects how funding is currently appropriated in Act 10 and in HB 881. This table does NOT reflect how \$325 million funding appropriated to the Board of Regents will be distributed to management boards for institutions of higher education (\$189.7 million IAT from State Fiscal Stabilization Fund from the American Recovery and Reinvestment Act of 2009, \$86.2 million State General Fund from the Budget Stabilization Fund, \$29 million State General Fund from MFP, \$13.5 million State General Fund from the Shaw Group and \$6.5 million Statutory Dedications out of the Higher Education Initiatives Fund.</p>				

Schedule 19A – Higher Education

Budget Analyst: Lois Azzarello (342-2412)

With LOSFA added to existing operating budget, the total \$3 billion combined appropriation for Higher Education in Act 10 of the 2009 Regular Session and in Enrolled HB 881 represents a \$45.9 million (1.5 %) decrease from FY 08-09 existing operating budget on February 1, 2009. The \$1.3 billion State General Fund represents a \$288 million (18.5 %) decrease from FY 08-09 State General Fund.

SCHEDULE 19A - HIGHER EDUCATION				
Means of Finance (MOF)	Existing Operating Budget FY 08-09 (as of 2/1/2009) (includes LOSFA)	ACT 10 and HB 881 Enrolled FY 09-10 (includes LOSFA)	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$1,554,004,893	\$1,265,981,080	(\$288,023,813)	(18.5%)
Interagency Transfers	\$431,077,208	\$625,843,162	\$194,765,954	45.2%
Fees and Self-generated Rev	\$772,979,414	\$778,412,322	\$5,432,908	0.7%
Statutory Dedications	\$160,500,509	\$158,661,810	(\$1,838,699)	(1.1%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$133,785,789	\$177,592,732	\$43,806,943	32.7%
Total Means of Finance	\$3,052,347,813	\$3,006,491,106	(\$45,856,707)	(1.5%)

Without LOSFA, the total \$2.8 billion combined appropriation for Higher Education in Act 10 of the 2009 Regular Session and in Enrolled HB 881 represents a \$104 million (3.6 %) decrease from Higher Education's FY 08-09 existing operating budget on February 1, 2009. The \$1.1 billion State General Fund represents a \$307 million (21.5 %) decrease from FY 08-09 State General Fund.

\$ 254 million \$254 million was added to the Higher Education FY09-10 appropriation with the LOSFA transfer from Special Schools and Commissions. State General Fund to LOSFA increased by \$18.8 million (14.6 %) over FY08-09 existing budget and total funding increased by \$58 million (29.7 %).

SCHEDULE 19A - HIGHER EDUCATION				
Means of Finance (MOF)	Existing Operating Budget FY 08-09 (as of 2/1/2009) (excludes LOSFA)	ACT 10 and HB 881 Enrolled FY 09-10 (excludes LOSFA)	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$1,425,044,806	\$1,118,169,877	(\$306,874,929)	(21.5%)
Interagency Transfers	\$424,877,208	\$623,843,162	\$198,965,954	46.8%
Fees and Self-generated Rev	\$772,858,550	\$778,291,458	\$5,432,908	0.7%
Statutory Dedications	\$138,131,518	\$136,697,309	(\$1,434,209)	(1.0%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$96,092,905	\$96,092,905	\$0	0.0%
Total Means of Finance	\$2,857,004,987	\$2,753,094,711	(\$103,910,276)	(3.6%)

Schedule 19A – Higher Education

Budget Analyst: Lois Azzarello (342-2412)

\$10 million State General Fund was added for Taylor Opportunity Program for Students (TOPS) awards. TOPS will provide more than 43,000 awards valued at more than \$129.8 million for FY 09-10.

\$5 million State General Fund was added for GO Grant awards. The GO Grant is the need-based financial assistance program and is funded at \$29 million for FY 09-10.

- \$ 189.7 million** State General Fund was replaced with funding from the State Fiscal Stabilization Fund, a federal grant in the American Recovery and Reinvestment Act of 2009. This revenue is reflected as Interagency Transfer from the Division of Administration Community Development Block Grant in the FY09-10 appropriation.
- \$ 85.1 million** State General Fund from the Budget Stabilization Fund was used to restore funding for institutions of higher education.
- \$ 29 million** State General Fund from the Minimum Foundation Program was used to restore funding for institutions of higher education. This funding replaced funding from the State Fiscal Stabilization Fund which was appropriated to higher education in the Executive Budget.
- \$ 36 million** Continued funding from the Louisiana Quality Education Support Fund (8g) for Enhancement of Academics and Research (\$21.9 million), Recruitment of Superior Graduate Fellows (\$3.8 million), Endowment of Chairs (\$3.2 million) and Carefully Designed Research Efforts (\$6 million).
- \$ 29.1 million** Funding from the Tobacco Tax Health Care Fund for Cancer Consortium and Research (\$18.5 million), Smoking Cessation Program (\$7 million) and for general operating expenses in two Agricultural Centers (\$3.5 million). This amount includes an additional \$1 million for the Cancer Research Centers and LSU Ag Center.
- \$ 13.5 million** State General Fund from the Shaw Group was used to restore funding for institutions of higher education.
- \$ 6.5 million** Statutory Dedications from the Higher Education Initiatives Fund was used to restore funding for institutions of higher education.
- \$ 1 million** State General Fund from the Budget Stabilization Fund for the Louisiana Endowment for the Humanities.

Schedule 19 – Special Schools and Commissions

Budget Analyst: George Silbernagel (342-5748)

SCHEDULE 19 - SPECIAL SCHOOLS AND COMMISSIONS				
Means of Financing (MOF)	Existing Operating Budget FY08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$182,760,032	\$47,451,711	(\$135,308,321)	(74.0%)
Interagency Transfers	\$28,099,783	\$22,270,732	(\$5,829,051)	(20.7%)
Fees and Self-generated Rev	\$1,506,453	\$1,093,383	(\$413,070)	(27.4%)
Statutory Dedications	\$65,219,264	\$48,442,072	(\$16,777,192)	(25.7%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$37,737,086	\$44,202	(\$37,692,884)	(99.9%)
Total MOF	\$315,322,618	\$119,302,100	(\$196,020,518)	(62.2%)
Authorized Positions	1,010	806	-204	-20.2%

The \$135 million reduction in SGF in the Special Schools and Commissions section of the General Appropriation Bill is primarily attributable to the transfer of the TOPS awards and its administering agency, the Office of Student Financial Assistance, to the Higher Education section of HB 1. The OSFA transfer also accounted for 140 positions being deleted from the Special Schools and Commissions section. Reductions in other means of finance, such as Statutory Dedications and Federal Funds also resulted from transferring TOPS Statutory Dedicated Funds to Higher Education.

The table below lists the agencies included in the Special Schools and Commissions section of HB 1, their State General Fund and Total Funds and Positions.

FY 09-10 State General Fund, Total Funds and Authorized Positions			
	State General Fund	Total Funds	Positions
Louisiana School for the Visually Impaired	\$6,915,218	\$8,488,848	96
Louisiana School for the Deaf	\$18,920,940	\$21,458,918	259
Louisiana Special Education Center	\$483,361	\$15,675,665	211
Louisiana School for Math, Science & the Arts	\$6,553,926	\$10,809,289	90
Louisiana Educational Television Authority	\$8,610,540	\$9,269,062	83
Board of Elementary and Secondary Education	\$1,251,628	\$48,790,533	14
New Orleans Center for the Creative Arts	\$4,716,098	\$4,809,785	53
TOTAL	\$47,451,711	\$119,302,100	806

Schedule 19 – Department of Education

Budget Analyst: George Silbernagel (342-5748)

SCHEDULE 19 - DEPARTMENT OF EDUCATION				
Means of Financing (MOF)	Existing Operating Budget FY08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY08-09 to FY 09-10	Percent Change
State General Fund	\$3,345,946,953	\$3,187,403,588	(\$158,543,365)	(4.7%)
Interagency Transfers	\$368,589,876	\$478,998,816	\$110,408,940	30.0%
Fees and Self-generated Rev	\$5,906,035	\$4,359,498	(\$1,546,537)	(26.2%)
Statutory Dedications	\$356,371,565	\$274,658,269	(\$81,713,296)	(22.9%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$1,014,738,090	\$1,463,604,315	\$448,866,225	44.2%
Total MOF	\$5,091,552,519	\$5,409,024,486	\$317,471,967	6.2%
Authorized Positions	747	739	(8)	(1.1%)

The \$158 million decrease in State General Fund for the Department of Education is partly due to substituting \$66.5 million from the American Recovery and Reinvestment Act of 2009 stimulus funds for SGF in the MFP and substituting \$26 million from TANF funds for SGF in the LA4 program. \$33.8 million ARRA funds are also used to replace a projected decrease in Lottery Proceeds Funds and Support Education in Louisiana First Statutory Dedicated Funds for the MFP. In addition, the reduction in SGF is attributable to the administration eliminating \$6.2 million to reimburse school systems for paying certificated personnel \$5,000 salary supplements, eliminating \$16 million for High Stakes Remediation and Tutoring and other SGF flow-through activities. The department has stated that the Federal Funds increase of \$376 million from ARRA funding for Title 1 and Individuals with Disabilities Education Act may be used by school systems to lessen the impact of the SGF reductions.

The increase in Interagency Transfers results from the ARRA funds being classified as transfers from the Office of Community Development and TANF from the Department of Social Services.

ACT 10 includes language stating that of the discretionary SGF appropriated to the State Activities budget unit, \$7.7 million shall be allocated for reimbursements to school systems for providing \$5,000 salary supplements to those certificated personnel that possess other certifications and credentials as provided for in various statutes.

\$ 3.275 billion Total FY 09-10 appropriation for the Minimum Foundation Program (MFP). BESE submitted the MFP resolution without a 2.75% increase in the Base Per Pupil Amount but did include increases of \$2.8 million for student and tax data adjustments and \$1.6 million for Morehouse Parish and \$1 million for Union Parish school systems to compensate for loss of revenue in those two systems

\$ 376 million New Federal Funds associated with ARRA for Title 1 (\$175 million) and IDEA (\$201 million) to be allocated to school systems

Schedule 19 – Department of Education

Budget Analyst: George Silbernagel (342-5748)

- \$ **80.6 million** Continued funding for the LA4 Early Childhood Program for four-year old at-risk children. 15,908 4-year old children are presently being served in the program. There may be funding issues for the LA4 Program as a result of substituting \$26.5 million recurring SGF with TANF funds - total TANF appropriations exceed anticipated TANF revenues. In addition, the administration substituted \$5 million recurring SGF and replaced them with 8(g) funds
- \$ **32.7 million** Total SGF appropriation for Nonpublic Educational Assistance. Included in this appropriation are Required Services Reimbursements at \$14.3 million, School Lunch Salary Supplements at \$7.9 million, Transportation at \$7.2 million and Textbook and Textbook Administration at \$3.3 million
- \$ **31.9 million** Funding needed for Type 2 Charter Schools for FY 09-10 is shown in the table below.

FY 09-10 TYPE 2 CHARTER SCHOOL FUNDING INFORMATION				
Type 2 Charter Schools		State Funding Per Pupil	Projected Student Count	Total Allocation
1	Avoyelles Public Charter	\$6,518	675	\$4,399,650
2	Maxine Giardina Charter School	\$8,116	104	\$844,064
3	Belle Chasse Academy	\$11,315	841	\$9,515,915
4	Delhi Charter School	\$8,329	571	\$4,755,859
5	Glencoe Charter School	\$8,516	371	\$3,159,436
6	International School of LA	\$7,839	502	\$3,935,178
7	Milestone/SABIS Academy	\$7,839	344	\$2,696,616
8	New Vision Learning	\$8,724	299	\$2,608,476
9 D'	Arbonne Woods Charter (new)			
10	Children's Charter School (new)	\$8,963	37	\$331,631
TOTAL			3744	\$32,246,825

- \$ **5.6 million** Continued SGF funding to reimburse school systems for paying the \$5,000 certification salary adjustment to teachers and administrators who have achieved certification from the National Board for Professional Teaching Standards (SGF)

Schedule 19 – Department of Education

Budget Analyst: George Silbernagel (342-5748)

- \$ **4.7 million** New Statutory Dedicated funding for Ensuring Literacy and Numeracy for All Initiative from the Overcollections Fund bringing the total FY 09-10 funding to \$15 million. The Quality Classroom Literacy and Numeracy Initiative is funded with \$4.6 million 8(g) funds

- \$ **1.0 million** New SGF funding for the Multiple Pathways initiative including the recruitment of business and industry professionals to teach in public secondary schools and in conjunction with expanding Career and Technical Trade and Industrial Education certificates and ancillary certificates

- \$ **0.5 million** New SGF funding for the Value Added Accountability initiative to develop and implement a technical model to assess the effectiveness of Louisiana teachers in grades 4-9

- \$ **(21.4 million)** Delete SGF funding for High Stakes Remediation and LEAP 21 Tutoring (\$16 million) and the credit recovery portion of High School Redesign (\$5 million)

- \$ **(6.4 million)** Delete SGF funding for the K-3 Reading and Math Program

- \$ **(6.2 million)** Delete SGF funding to reimburse school systems for paying \$5,000 salary supplements for certain certificated and or licensed school personnel meeting certain statutory requirements

- \$ **(1.2 million)** Delete SGF funding for Community Based Tutorial programs

- \$ **(514,000)** Delete SGF funding for WorldBook and GALE-Group on-line information for public and nonpublic students and teachers

Schedule 19E – LSU Health Care Services Division

Budget Analyst: Lois Azzarello (342-2412)

SCHEDULE 19E - LSU Health Care Services Division				
Means of Finance	Existing Operating Budget FY 08-09 (on February 1, 2009)	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
State General Fund	\$89,938,199	\$79,925,475	(\$10,012,724)	(11.1%)
Interagency Transfers	\$0	\$0	\$0	0.0%
Fees and Self-generated Rev	\$0	\$0	\$0	0.0%
Statutory Dedications	\$1,870,000	\$0	(\$1,870,000)	(100.0%)
Interim Emergency Board	\$1,425,670	\$0	(\$1,425,670)	(100.0%)
Federal Funds	\$0	\$0	\$0	0.0%
Total Means of Finance	\$93,233,869	\$79,925,475	(\$13,308,394)	(14.3%)
The administration non-recurred \$370,000 Statutory Dedications from the Overcollections Fund for Chabert Medical Center for construction of a flood protection ring levee and \$1.4 million Interim Emergency Board (IEB) funding for a new generator. In addition, \$1.5 million Statutory Dedications from the Overcollections Fund was non-recurred from MCLNO for a statewide colorectal cancer screening demonstration program				
SCHEDULE 19E - LSU Health Care Services Division				
Hospitals	Budget FY 08-09 (on February 1, 2009)	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 to FY 09-10	Percent Change
Earl K. Long Medical Center (Baton Rouge)	\$13,604,679	\$21,856,721	\$8,252,042	60.7%
University Medical Center (Lafayette)	\$8,155,547	\$6,915,376	(\$1,240,171)	(15.2%)
W.O. Moss Regional Medical Center (Lake Charles)	\$5,895,391	\$8,522,414	\$2,431,782	41.2%
Lallie Kemp Regional Medical Center (Independence)	\$5,318,692	\$4,788,840	(\$529,852)	(10.0%)
Washington-St. Tammany Regional Medical Center (Bogalusa)	\$3,600,551	\$5,049,247	\$1,448,696	40.2%
Leonard J. Chabert Medical Center (Houma)	\$6,090,632	\$6,245,423	\$154,791	2.5%
The Medical Center of Louisiana at New Orleans (MCLNO)	\$50,568,377	\$26,547,454	(\$24,020,923)	(47.5%)
Total Means of Finance	\$93,233,869	\$79,925,475	(\$13,308,394)	(14.3%)

State General Fund is typically the sole Means of Finance appropriated in the General Appropriation Bill for HCSD. The \$10 million State General Fund decrease represents the difference between projected unallowable costs for FY 08-09 and projected unallowable costs for FY 09-10. State General Fund is used to pay unallowable costs that do not qualify for federally matched Uncompensated Care Costs (UCC). Most unallowable costs relate to prisoner care, contract physicians, HIV and outpatient drugs. The realignment was based on priority on fully funding prisoner care and redistributing the balance based on each hospital's pro rata share of non-allowable costs.

Schedule 20 – Other Requirements

Budget Analyst: Eddriene Sylvester (342-1964)

SCHEDULE 20 - OTHER REQUIREMENTS				
Means of Financing (MOF)	Existing Operating Budget FY 08-09	ACT 10 and HB 881 Enrolled FY 09-10	Change from FY 08-09 FY 09-10	Percent Change
State General Fund	\$422,433,092	\$448,836,097	\$26,403,005	6.3%
Interagency Transfers	\$53,026,277	\$51,851,924	(\$1,174,353)	(2.2%)
Fees and Self-generated Rev	\$288,034	\$288,034	\$0	0.0%
Statutory Dedications	\$287,119,251	\$161,762,903	(\$125,356,348)	(43.7%)
Interim Emergency Board	\$0	\$0	\$0	0.0%
Federal Funds	\$0	\$0	\$0	0.0%
Total MOF	\$762,866,654	\$662,738,958	(\$100,127,696)	(13.1%)
Authorized Positions	0	0	0	0.0%

The level of funding provided to Other Requirements includes \$157 million to Local Housing of State Adult Offenders, \$30.5 million for salaries of District Attorneys, Assistant District Attorneys and Victims Assistance Coordinators, debt service payments to Higher Education, an additional \$18.4 million for Supplemental Pay to Law Enforcement Personnel, \$78.1 million for debt service payments for the parking costs at the LaSalle and Galvez Building parking garages, rental fees at the Baton Rouge State Office Building, the New Orleans Water and Sewer Board, Federal City and payment of judgements. Statutory Dedications decreased due to a \$100 million reduction in the Patient's Compensation Fund and a \$22 million reduction from the Overcollections Fund.

- \$ 78.1 million** Continued funding for debt service payments for parking costs at the LaSalle and Galvez building parking garage and rental fees at the Baton Rouge State Office Building, New Orleans Water and Sewer Board and Federal City. (SGF)
- \$ 30.5 million** Continued funding for salaries of District Attorneys, Assistant District Attorneys and Victims Assistance Coordinators. (\$25,062,276 SGF; \$5,400,000 SD)
- \$ 18.4 million** Additional funding for Supplemental Pay to Law Enforcement Personnel. (SGF)
- \$ (100 million)** Transfers funding from the Patient's Compensation Fund to the Patient's Compensation Fund Oversight Board to consolidate administrative and medical malpractice claims expenses. (SD)

Ways and Means Legislation for 2009

Ways & Means Legislation - 2009

CAPITAL OUTLAY

HB 2 by Greene

HB 3 by Greene

Provides for the comprehensive capital outlay budget and for implementation of a five-year improvement program.

TAX AMNESTY

HB 720 by Jane Smith

Enacts the "Louisiana Tax Delinquency Amnesty Act of 2009" which requires the Dept. of Revenue (DOR) to develop and implement a tax amnesty program to be effective for a period not to exceed two consecutive calendar months between July 1, 2009, and June 30, 2010, at the discretion of the secretary. The tax amnesty program shall apply to taxes due prior to Jan. 1, 2009, for which the department has issued a proposed assessment, notice of assessment, bill, notice, or demand for payment on or after July 1, 2001, and before May 31, 2009, taxes that became due on or after July 1, 2001, and before Jan. 1, 2009, taxes for which the taxpayer and the department have entered into an agreement to interrupt prescription until Dec. 31, 2009, and taxes that became due on or before July 1, 2001, if the taxpayer was ineligible for an earlier amnesty period because the matter was in civil litigation.

Amnesty shall only be granted for eligible taxes to eligible taxpayers who apply for amnesty during the amnesty period on forms prescribed by DOR and who pay all of the tax, all fees and costs, if applicable, and half of the interest due upon filing the amnesty application. If the amnesty application is approved, the secretary shall waive the remaining half of the interest and all of the penalties associated with the tax periods for which amnesty is applied.

Authorizes DOR to retain a certain portion of the monies collected under the tax amnesty program including an amount not to exceed \$250,000 for advertising expenses. All remaining monies collected under the tax amnesty program shall be paid into the state treasury for credit to the Bond Security and Redemption Fund and then the treasurer is directed to transfer the first \$90 million for deposit to the Coastal Protection and Restoration Fund. Furthermore, in the event monies have been withdrawn from the Budget Stabilization Fund, the treasurer shall next transfer an amount not to exceed the amount withdrawn or \$86 million dollars into the Budget Stabilization Fund. All remaining monies collected under the tax amnesty program shall be deposited in the State General Fund.

SALES AND USE TAX

HB 9 by Baldone

Provides an exemption from sales and use tax for lodging at a homeless shelter. For purposes of sales and use tax for all tax authorities in the state, excludes from the definition of "hotel" a temporary lodging facility operated by a §501(c)(3) nonprofit organization devoted exclusively to

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the temporary housing of homeless transient persons. Eligible entities shall offer housing for a period of no longer than 30 days duration, and charge no more than \$20 per night.

HB 128 by Henry

Provides for a "Second Amendment Weekend Holiday" which begins at 12:01 a.m. on the Friday after Thanksgiving and ends at 11:59 p.m. the following Sunday. During such time, state and local sales and use tax shall not apply to consumer purchases of firearms, ammunition and hunting supplies. "Hunting supplies" is defined as any tangible personal property for the use of hunting, including but not limited to archery, vehicles and vessels such as ATVs, airboats, and pirogues, accessories, animal feed, apparel, shoes, bags, float tubes, binoculars, tools, firearm and archery cases, firearm and archery accessories, range finders, knives, decoys, treestands, blinds, chairs, optics, hearing protection and enhancements, holsters, belts, slings and miscellaneous gear.

"Firearms" is defined as a shotgun, rifle, pistol, revolver, or other handgun.

SB 52 by Marionneaux

Establishes an Annual Second Amendment Weekend Holiday to exempt from state and local sales tax each year consumer purchases of firearms, ammunition, and hunting supplies from the first consecutive Friday through Sunday of September each year. "Firearm" is defined as a shotgun, rifle, pistol, revolver, or other handgun. "Hunting supplies" is defined as any tangible personal property for the use of hunting, including but not limited to archery, vehicles and vessels such as ATVs, airboats, and pirogues, accessories, animal feed, apparel, shoes, bags, float tubes, binoculars, tools, firearm and archery cases, firearm and archery accessories, range finders, knives, decoys, treestands, blinds, chairs, optics, hearing protection and enhancements, holsters, belts, slings and miscellaneous gear.

HB 189 by Greene

Present law provides for a state sales and use tax exemption for the sale of meals furnished to the staff and students of educational institutions; the staff and patients of hospitals; the staff, inmates, and patients of mental institutions; and boarders of rooming houses, and occasional meals furnished in connection with or by educational, religious, or medical organizations, if the meals are consumed on the premises where purchased.

Adds to the exemption, meals purchased in advance by students, faculty, and staff pursuant to meal plans sponsored by the institution or organization or purchased in advance pursuant to other payment arrangement sanctioned by the institution or organization and generally available to students, faculty, and staff, regardless of where the meals are consumed.

Provides that the exemption as to 3% of the state sales and use tax shall be applicable, operative, and effective beginning Jan. 1, 1998. Further provides that the exemption as to 1% of the state sales and use tax shall not be subject to the permanent suspension for all taxable periods beginning on and after Jan. 1, 1998.

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The provisions of this Act are retroactive; however, correctly computed taxes not paid under protest with suit filed for their recovery shall not be refunded.

HB 389 by Greene

Deletes the termination date of the exemption for purchases and leases of educational materials and equipment used for classroom instruction by nonpublic schools.

HB 473 by Little

Authorizes a state sales and use tax exemption for polyroll tubing sold or used for commercial farm irrigation. Gives full effect to the state sales and use tax exemption as to 4% of the state sales and use taxes levied on the sale of polyroll tubing sold or used for commercial farm irrigation.

HB 734 by Carter

Provides for a state sales and use tax exemption for the amounts paid by qualifying radiation therapy treatment centers on the purchase, lease, or repair of capital equipment and software used to operate capital equipment. "Capital equipment" shall mean tangible personal property eligible for depreciation for federal income tax purposes that is used in the diagnosis or treatment of cancer patients. Authorizes a political subdivision to elect to grant this exemption.

Defines "qualifying radiation therapy center" as a radiation therapy center which is also a nonprofit organization which maintains a joint accreditation with a state university by the Commission on Accreditation of Medical Physics Educational Programs, Inc. (CAMPEP) for a graduate medical physics program and which provides facilities and personnel for use for a joint CAMPEP-accredited graduate medical physics program for research, teaching, and clinical training for graduate students. A "qualifying radiation therapy center" shall also mean the Biomedical Research Foundation in Shreveport.

HB 818 by Ellington

Provides that for purposes of the state sales and use tax, the tax on the cost price of tangible property consumed in the manufacturing process, such as fuses, belts, felts, wires, conveyor belts, lubricants, and motor oils and the tax on the cost price of repairs and maintenance of manufacturing machinery and equipment shall be reduced as follows:

- (1) For the period beginning July 1, 2010, and ending on June 30, 2011, the state sales and use tax on the cost price shall be reduced by 25%.
- (2) For the period beginning July 1, 2011, and ending June 30, 2012, the state sales and use tax on the cost price shall be reduced by 50%.
- (3) For the period beginning July 1, 2012, and ending June 30, 2013, the sales and use tax on the cost price shall be reduced by 75%.

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- (4) For all periods beginning on and after July 1, 2013, the state sales and use tax on the cost price shall be reduced by 100%.

Defines a manufacturer as a person whose principal activity is manufacturing and who is assigned an industry group designation of 3211 through 3222 or 113310 pursuant to the North American Industry Classification System (NAICS) of 2007.

INDIVIDUAL INCOME TAX

HB 106 by Greene

Authorizes an individual income tax deduction for income from net capital gains, which is limited to gains recognized and treated for federal income tax purposes as arising from the sale or exchange of an equity interest in or substantially all of the assets of a non-publicly traded corporation, partnership, limited liability company, or other business organization commercially domiciled in this state.

TAX CREDITS

HB 110 by Jane Smith

Increases the individual and corporate income tax credit for the purchase of qualified clean-burning motor vehicle fuel property from 20% to 50% and authorizes a tax credit for the purchase of a motor vehicle with qualified clean-burning motor vehicle property installed by the vehicle's manufacturer.

Defines "cost of qualified clean-burning motor vehicle fuel property" as any of the following:

- (1) The retail cost paid for the purchase and installation of qualified clean-burning motor vehicle fuel property to modify a motor vehicle which is propelled by gasoline or diesel so that the motor vehicle may be propelled by an alternative fuel.
- (2) The cost of a new motor vehicle purchased at retail originally equipped to be propelled by an alternative fuel for the cost of that portion of the motor vehicle attributable to the storage of the alternative fuel, the delivery of the alternative fuel to the engine of the motor vehicle, and the exhaust of gases from combustion of the alternative fuel.
- (3) The cost of property directly related to the delivery of an alternative fuel into the fuel tank of motor vehicles propelled by alternative fuel, including compression equipment, storage tanks, and dispensing units for alternative fuel at the point where the fuel is delivered, provided the property is installed and located in La. and no credit has been previously claimed on the cost of such property.

Provides that in cases in which a motor vehicle is purchased by a taxpayer with qualified clean-burning motor vehicle fuel property installed by the manufacturer and the taxpayer is unable to or elects not to determine the exact basis which is attributable to such property, the

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taxpayer may claim a credit in an amount 10% of the cost of the motor vehicle or \$3,000, whichever is less.

HB 733 by Leger

Authorizes a base investment tax credit for certified, verified, and approved expenditures in the state for the construction, repair, or renovation of a state-certified green project, or for investments made by a company or a financier in such project which are, in turn, expended for such construction, repair, or renovation, not to exceed \$1 million per state-certified green project. No more than \$5 million in tax credits shall be granted for state-certified green projects per year.

The base investment credit for state-certified green projects shall be for the following amounts:

- (1) If the total base investment is greater than \$100,000 and less than or equal to \$300,000, a company shall be allowed a tax credit of 10% of the base investment.
- (2) If the total base investment is greater than \$300,000 and less than or equal to \$1 million, a company shall be allowed a tax credit of 20% of the base investment.
- (3) If the total base investment is greater than \$1 million, a company shall be allowed a tax credit of 25% of the base investment.

Authorizes an additional tax credit of 10% for the payroll of Louisiana residents. Further provides for an additional tax credit of 1% of the payroll for La. residents who are graduates of an institution within the La. Community and Technical College System or graduates of an apprenticeship program registered with the Louisiana Workforce Commission.

Effective upon receipt of a letter from the U.S. Department of Energy awarding La. an obligation of funding of at least \$5 million per year, for a minimum of three years, through the U.S. Dept. of Energy, Energy Efficiency and Conservation Block Grant program, the Advanced Battery Manufacturing Grants, or any other federal program which provides funding related to support of green jobs industries.

HB 753 by Richmond

Provides that the maximum amount of qualified low-income community investments that may be issued by a single business, on an aggregate basis with all of its affiliates, and be included in the calculation of the fraction described in R.S. 47:6016(B)(1)(b) for qualified equity investments issued after April 1, 2008 and before Dec.1, 2009, whether to one or more issuers of qualified equity investments, shall not exceed \$5 million.

Provides that the maximum amount of qualified low-income community investments that may be issued by a single business, on an aggregate basis with all of its affiliates, and be included in the calculation of the fraction described in R.S. 47:6016(B)(1)(b) for qualified equity investments issued after Dec. 1, 2009, whether to one or more issuers of qualified equity investments, shall not exceed \$7.5 million.

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Requires the Dept. of Economic Development to grant or deny a request for certification as an investment consistent with the target industries no more than 60 days after receipt of the request.

Provides that the aggregate amount of credit for all qualified equity investments issued to taxpayers on or after April 1, 2008, shall not exceed \$50 million dollars in the aggregate based on the following schedule:

- (1) \$25 million between April 1, 2008, and Dec. 31, 2008.
- (2) \$12.5 million, plus any unissued credits from any prior taxable year, between Jan. 1, 2009, and Nov. 30, 2009.
- (3) \$12.5 million, plus any unissued credits from any prior taxable year, between Dec. 1, 2009, and Dec. 31, 2010.

Prohibits any credit from being issued on or after Dec. 1, 2009, shall be claimed on a return due on or before Dec. 31, 2010.

SB 26 by N. Gautreaux

Expands the definition of "new direct job" in the La. Quality Jobs Program Act by adding that an employer's "new direct job" may also include an employee working under contract for an average of 30 hours or more if the following criteria are satisfied:

- (1) The company provides its employees with wages and basic health benefits presently required for the La. Quality Jobs Program and is not an exempted profession or service industry under the program.
- (2) The employer is classified as a manufacturer.

Allows employers to begin applying 80% of money spent on wages and benefits for contract workers towards rebates associated with the contracts beginning July 1, 2010.

SB 160 by Marionneaux

Changes the general provision applicable to the administration of all tax credits to provide that, unless otherwise provided in the statute granting the tax credit, all tax credits which have an annual or total program "cap" will be administered on a first-come, first-serve basis. Additionally, an exception to this rule is provided in instances where the total tax credits requested on a single day exceed the tax credits available under the cap, in which case the credits will be approved on a pro rata basis unless otherwise provided by the statute granting the tax credit.

SB 194 by Broome

Authorizes a credit against the corporate income tax and the corporation franchise tax for employers who allow parents to take paid leave for a period not more than four hours per month during the school year for the purpose of participating in activities directly related to the

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employee's child at the school or child day care center attended by the employee's child, which is limited to parent-teacher conferences, special presentations, and school-related committees, all during regular school hours. Provides that the credit shall be an amount per hour of leave granted which is equal to the lesser of \$45 per hour or two and one-half times the employee's hourly wages.

CORPORATE FRANCHISE TAX

HB 618 by Greene

Deletes the \$10 minimum corporation franchise tax and provides that all corporations subject to the tax pay only an initial tax of \$10 in the first accounting period or fraction in which they become subject to the tax or would have become subject to the tax.

ENTERTAINMENT INDUSTRY TAX CREDITS

HB 458 by Talbot

SB 123 by Michot

Authorizes a tax credit against state income tax, for state-certified sound recording production or infrastructure projects. The tax credit shall be earned by investors at the time expenditures are certified by the Dept. of Economic Development (DED) according to the total base investment certified for the sound recording production company per calendar year.

Removes the prohibition against allowing a sound recording production company from earning a sound recording investor tax credit in more than three years out of any five-year period.

Further provides that "expended in the state" shall mean an expenditure to acquire property from a source within the state which is subject to state sales or use tax, or an expenditure as compensation for services performed within the state which is subject to income tax.

Requires that after certification, DED shall submit the tax credit certification letter to the DOR on behalf of the investor who earned the tax credits. Upon receipt of the tax credit certification letter, the DOR shall make payment to the investor in the amount to which he is entitled from the current collections of the taxes collected pursuant to present law.

Provides that as a condition for receiving certification of tax credits, state-certified productions may be required to display the state brand or logo, or both, as prescribed by DED.

HB 798 by Carter

Authorizes the Dept. of Economic Development (DED) to collect an application fee for state-certified productions and state-certified musical and theatrical infrastructure projects and provides for the disposition of the monies from the fee.

Authorizes an application fee equal to .02% multiplied by the estimated total incentive tax credits; however the minimum application fee shall not be less than \$200, and the maximum application fee shall not be more than \$5,000.

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Requires that monies from the application fee shall be deposited into the state treasury, and after compliance with the requirements of the Bond Security and Redemption Fund, an amount equal to the monies generated shall be credited into the Entertainment Promotion and Marketing Fund to be used solely for promotion and marketing of La.'s entertainment industry.

Requires that as a condition for receiving certification of tax credits, state-certified productions and infrastructure projects may be required to display the state brand or logo, or both, as prescribed by the Dept. of Economic Development.

SB 245 by Adley
HB 898 by Henry

Grants a transferable income tax credit for state-certified movie productions approved on or after January 1, 2006, of 30% of the "base investment" if the base investment is greater than \$300,000. Further grants an additional 5% tax credit to the extent that base investment is expended on payroll for Louisiana residents employed with a state-certified productions.

Increases the tax credit transferred to the office to 85% of the face value of the credits for projects certified on and after July 1, 2009.

Provides that prior to any final certification of a state-certified production or infrastructure project, the motion picture production company or infrastructure project applicant shall submit to the office a notarized statement demonstrating conformity, and agreeing to, the following:

- (1) To pay all undisputed legal obligations the film production company has incurred in Louisiana.
- (2) To publish, at completion of principal photography, a notice at least once a week for three consecutive weeks in local newspapers in regions where filming has taken place in order to notify the public of the need to file creditor claims against the film production company by a specified date.
- (3) That the outstanding obligations are not waived should a creditor fail to file by the specified date.
- (4) To delay filing a claim for the film production tax credit until the office delivers written notification to the secretary of the Dept. of Revenue that the film production company has fulfilled all requirements for the credit.

Provides that as a condition for receiving certification of tax credits, state-certified productions may be required to display an animated state brand or logo, or both, which includes a fleur de lis as prescribed by the Dept. of Economic Development as long as the animated state brand or logo is not contrary to any rules or regulations of the Federal Communications Commission.

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SB 277 by Duplessis

Provides that for applications for state-certified productions submitted to the office on or after July 1, 2009, and subsequently approved by the office and secretary, there are hereby authorized tax credits in the amount of 25% of the base investment and an additional 10% tax credit for payroll expended for Louisiana residents. Tax credits shall be earned by a digital interactive media company at the time funds are expended in Louisiana on a state-certified production.

Requires transferors and transferees to submit, in writing to the office and Dept. of Revenue, notification of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax credits. Further requires a copy of the tax credit certificate and any other information required by the office or the Dept. of Revenue.

Requires, prior to final certification of a state-certified production, the digital interactive media company to submit a cost report of production expenditures which shall be subject to an agreed-upon procedures engagement conducted by a certified public accountant in accordance with statements on standards for attestation engagements established by the American Institute of Certified Public Accountants. Further requires the accountant to issue a report in the form of procedures and findings.

Authorizes state-certified productions, as a condition for receiving certification of tax credits, to display the state brand or logo, or both, as prescribed by the secretary of Dept. of Economic Development.

SB 159 by Marionneaux

Present law prohibits movie investor tax credits for expenditures made after December 31, 2008 for a movie infrastructure project which had not applied for initial certification or pre-certification prior to August 1, 2007 unless 50% of the "total base investment" provided for in the "initial certification" of the project had been expended prior to that date.

Provides that transactions that qualify for meeting or exceeding the 50% expenditure requirement includes, but is not be limited to a transaction in which the obligation is secured by the subject of the transaction and the maturity date for such obligation occurs after December 31, 2008, if the transaction was executed prior to December 31, 2008.

HB 693 by Greene

Present law provides that an application for an infrastructure project filed on or before Aug. 1, 2007, shall have 24 months from the date of approval of the rules or Jan. 1, 2008, whichever is earlier, to qualify for the 40% tax credits earned on expenditures. The payment of tax credits may extend beyond or be made after the year expenditures are made.

Clarifies present law by providing that an infrastructure project for which an application was filed on or before Aug. 1, 2007, that has received an initial certification letter from the division, the DED, and the office, by Dec. 31, 2009, shall be entitled to receive credits equal to 40% of the base investment expended in the development of the state-certified infrastructure project until the

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project is completed, provided that a minimum of 20% or \$10 million of the total base investment established by the initial certification letter, whichever is less, shall be expended on infrastructure unique to La. film, video, television, and digital production and post-production infrastructure no later than June 30, 2010.

Provides that if a project fails to obtain an initial certification letter or fails to expend the minimum of 20% or \$10 million of the total base investment established by the initial certification letter, whichever is less, by June 30, 2010, then no expenditures shall be entitled to earn tax credits. Tax credits shall not be considered for final certification unless and until the minimum of 20% or \$10 million of the total base investment established by the initial certification letter, whichever is less, is expended.

Prohibits more than a total of \$25 million dollars in state-certified infrastructure project tax credits from being approved in any fiscal year; however, if less than \$25 million dollars of tax credits are certified in a fiscal year, the remaining amount of available tax credit certifications shall be added to the amount available for certification for the next fiscal year and from being carried forward for use in the next fiscal year. Further requires tax credits for each fiscal year to be approved on a first come, first served basis.

Requires an infrastructure project to be approved within 45 days of submission if it is a film, video, television, or digital production or postproduction facility. Denials of applications shall be in writing and shall constitute final agency action. Written reasons for the denial shall be provided to the applicant within five days of a written request.

Provides that prior to any final certification of the state-certified production or infrastructure project, the applicant shall submit a cost report of production or infrastructure project expenditures audited and certified by an independent certified public accountant.

Requires the office to provide written notice of all denials, the written reasons a denial, and the status of any appeal to the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means.

SEVERANCE TAX

HB 765 by Gallot

Proposed constitutional amendment that provides for changes in the amount of severance tax distributions to the parishes and also provides for deposits into the Atchafalaya Basin Conservation Fund from a portion of severance tax revenues and royalties collected on state lands in the Atchafalaya Basin, beginning after April 1, 2012.

The provisions of this proposed constitutional amendment become effective and shall be implemented in the event that the last official forecast occurring before the start of a fiscal year contains an estimate of severance tax revenues for natural resources, other than sulphur, lignite, or timber, which will exceed the actual amount of such severance taxes which were collected in Fiscal Year 2008-2009. Beginning in the fiscal year for which that forecast was adopted, the

allocations of severance tax to parishes, and deposit of monies into the Atchafalaya Basin Conservation Fund, shall occur as follows:

- (1) In the first year of implementation, the maximum amount which shall be remitted to the parish in which severance or production occurs is increased from \$850,000 to \$1,850,000. In the following year, and all fiscal years thereafter, the limit shall be \$2,850,000 per fiscal year. The maximum amount remitted to the parishes shall be increased each July 1 by an amount equal to the average annual increase in the Consumer Price Index for All Urban Consumers, as published by the U.S. Dept. of Labor, for the previous calendar year.
- (2) Further requires that at least 50% of the excess severance tax remitted to a parish in a fiscal year be used only within the parish for the same purposes as money received from the Parish Transportation Fund. The term "excess severance tax" shall mean the amount of severance tax remitted to a parish in excess of that received in Fiscal Year 2011-2012.
- (3) Provides that, after the allocations of severance tax to the Bond Security and Redemption Fund, the parishes, the Conservation Fund and the Coastal Protection and Restoration Fund have been satisfied, an amount equal to 50% of the revenues received from severance taxes collected on state lands within the Atchafalaya Basin, not to exceed \$10 million, is to be deposited into the Atchafalaya Basin Conservation Fund. The money in the fund shall be used exclusively to support projects contained in the state or federal Basin master plans or an annual Basin plan or to provide match for the Atchafalaya Basin Floodway System, Louisiana Project. Each year's plan for the expenditure of monies appropriated from the fund shall be subject to the approval of the appropriate standing committees of the legislature.

AD VALOREM TAX

HB 83 by T. Burns

Requires that the notice for the public hearing be published in the newspaper no less than 30 days before the hearing date. It also provides for circumstances where such a public hearing was scheduled, but then cancelled or postponed or the proposal was considered without action or vote. In such case, for the conduct of any future public hearing on the matter public notice must be given, except there is no additional newspaper advertisement required.

HB 902 by Arnold

HB 903 by Arnold

HB 902 and HB 903 add specific limitations on the ability to increase millages for a taxing authority whose governing authority membership is composed of persons who were not elected. Increases in millages by such taxing authorities are limited to an amount which would not increase the property taxes collected by more than 2 ½% of the collections for calendar year immediately preceding the year for which the increased millage rate would take effect. These provisions do not effect special fire protection or fire department districts, ports, port harbor or terminal districts, nor the millages levied by certain levee districts under the authority of the Louisiana constitution.

State Debt

HB 2 – Capital Outlay

Capital Outlay Specialist: Ashley Albritton (342-8623)

HB 2 - CAPITAL OUTLAY	
MEANS OF FINANCING	AMOUNT
STATE GENERAL FUND (DIRECT)	\$13,028,000
FEDERAL FUNDS (excluding FEDERAL-TTF)	\$34,935,400
FEDERAL FUNDS – TTF (FEDERAL HIGHWAY FUNDS)	\$800,000,000
TRANSPORTATION TRUST FUND (TTF) - REGULAR	\$204,227,249
TIMED FUNDS	\$20,210,090
STATE GENERAL FUND (DIRECT) Non-Recurring	\$783,105,000
INTER-AGENCY TRANSFER	\$24,112,530
MISC STATUTORY DEDICATIONS	\$66,735,000
FEES & SELF GENERATED CASH	\$67,261,446
REAPPROPRIATED CASH	\$3,389,206
SUB-TOTAL CASH	\$2,017,003,921
REVENUE BONDS	\$1,258,353,400
SUB-TOTAL CASH & REV BONDS	\$3,275,357,321
GENERAL OBLIGATION BONDS	
PRIORITY 1	\$1,531,195,000
PRIORITY 2	\$64,090,000
PRIORITY 3	2500000
PRIORITY 4	0
SUB-TOTAL PRIORITIES 1-4	\$1,597,785,000
PRIORITY 5	\$600,215,000
SUB-TOT GEN OBLIG BONDS	\$2,198,000,000
BNDS NRP(Reallocated bond proceeds)	\$34,161,761
TOTAL OF H.B. 2	\$5,507,519,082
Cash Line of Credit/Bond Sale Limit	1586475000
Cash Line of Credit/Bond Sale commitment for Pr.1 projects	-1531195000
Cash Line of Credit/Bond Sale amount avail for Pr.2	55280000

- The cash line of credit capacity available for Priority 2 should be able to fund the majority of Priority 2 appropriations.
- Funding for capital outlay projects can also be found in HB 881, the Supplemental Appropriations Bill for FY 07-08.

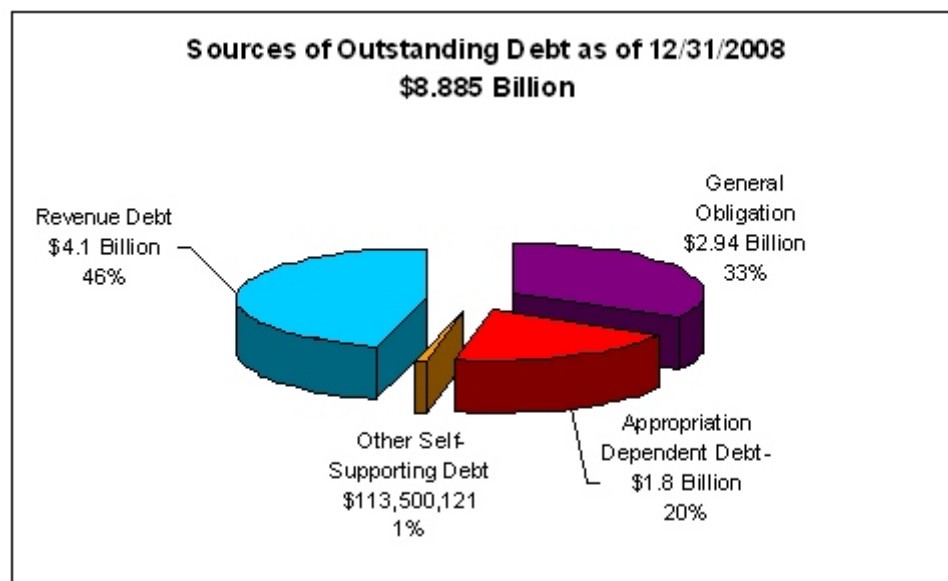
AFTER THE FACT 2008 DEBT INFORMATION

STATE DEBT AND DEBT SERVICE

The State Bond Commission is prohibited from approving the issuance of NSTSD if the debt service required by such debt would exceed 6% in each fiscal year of Taxes, Licenses and Fees as estimated by the Revenue Estimating Conference. In order to determine the par amount that can be issued in any one fiscal year, certain assumptions are made as to interest rate and future issuance. The Net State Tax Supported Debt Projection Model (*Status Report - Net State Tax Supported Debt as of December 31, 2008*) assumes an average interest rate of 5.00% for each issuance, and includes the following projections:

- (a) \$500,000,000 and \$400,000,000 of General Obligation Bonds in Fiscal Year 2009-2010 and 2010-2011, respectively;
- (b) \$351,000,000 of General Obligation Bonds in Fiscal Year 2011-2012;
- (c) \$335,000,000 of General Obligation Bonds in Fiscal Year 2012-2013, and a similar amount adjusted for an inflation factor of 2% in each succeeding fiscal period;
- (d) Gasoline and Fuels Tax Revenue Bonds (TIMED) \$200,000,000 Series 2009A-1; \$103,125,000 Series 2009 A-2, \$121,500,000 Series 2009A-3; \$60,625,000 Series 2009 A-4 in Fiscal Year 2008-2009, and \$500,000,000 in Fiscal Year 2009-2010;
- (e) LCTCS-Community College - The projections reflect the potential issuance of \$200,000,000 LCDA-Louisiana Community Technical College Facility Corporation Project (the "Corporation") Revenue Bonds Series 2009, which are anticipated to be issued in 3 series (\$71,050,000 Series 2009, \$69,805,000 Series 2010, and \$52,245,000 Series 2011) and are supported by a Cooperative Endeavor Agreement among the LCTCS, the Corporation, the LCDA and the State in which the State is required to provide, subject to appropriation, approximately \$2,000,000 for Fiscal Year 2009-2010 ; \$21,255,000 for Fiscal Year 2010-2011 and \$17,255,000 for Fiscal Years 2011-2012 through 2028-2029 per year.
- (f) Calcasieu Public Trust Authority-\$10,000,000 South Louisiana Facilities Corporation-SOWELA, Projected Series 2010.

In FY 08-09, the State did not issue new money General Obligation Bonds. The State Bond Commission authorized the issuance of several non-general obligation issues which fall under the definition of NSTSD, including: (a) \$45,000,000 LCDA (LCTCS-Delta Campus Facilities Corporation) Revenue Bonds; and (b) the Industrial Development Board of the City of New Orleans (New Orleans Federal Alliance Project) Series 2008A in the total authorized amount of \$150,000,000. The initial series of \$25,000,000 was issued in December 2008 with the underlying security for the debt being a Cooperative Endeavor Agreement between NOFA and the State where the State is required to provide, subject to appropriation, approximately \$2,173,000 beginning in Fiscal Year 2009-2010 through 2028-2029. The projected residual issuance of the \$125,000,000 for the Federal City Project has been replaced with a planned funding using direct General Fund money.



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